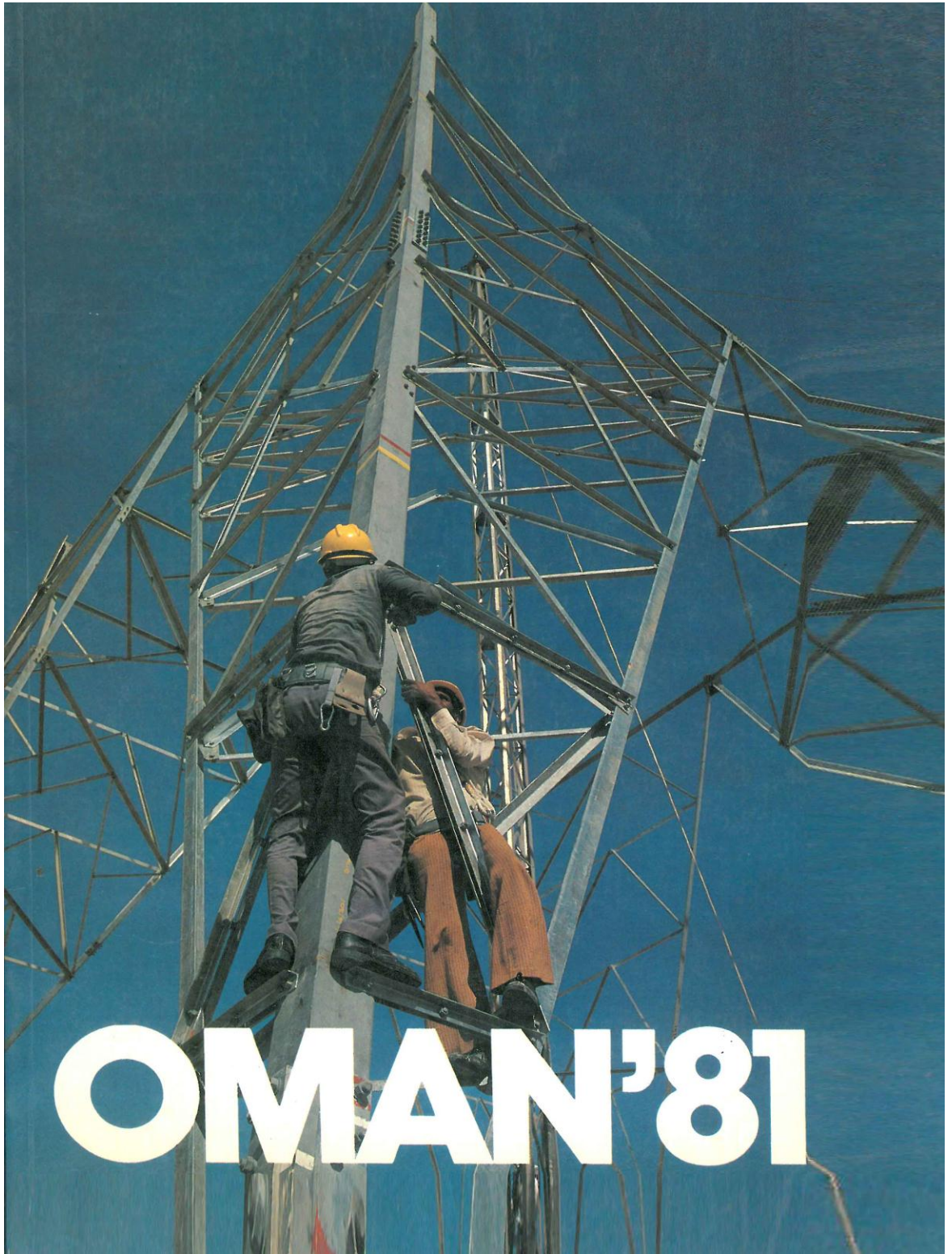
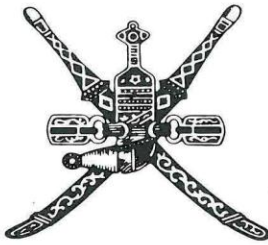






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GENERAL REVIEW

In his address to the country on the occasion of the 10th National Day celebrations on November 18, 1980, His Majesty Sultan Qaboos bin Said reviewed Oman's progress during the past decade and outlined plans for its future development.

"Ten years ago, when we set out on that long road together, we had little but our faith in our destiny to sustain us. We were poor in everything except in the strength of our Omani traditions and in our determination to succeed in spite of all obstacles. We had no hospitals to care for our people; we had no schools to prepare our young to take their place in the world; we had no system of welfare; no government structure with which to organise and develop the resources of our country; many of our gifted sons and daughters had left in despair to make a life for themselves in other lands; and we were faced with a war waged against our people with the utmost cruelty by the surrogates of those same evil forces which have reduced so many millions in this world to a life of misery and slavery. All this we pledged to overcome.

Today, every Omani can hold up his head with pride at our achievements. The benefits of modern medicine are available to everyone; schools have been built — we now have over 100,000 boys and girls receiving education; the powerful aid of modern science and technology has been harnessed to our needs; and our first five-year plan which is just drawing to a successful close demonstrates that our economy has been placed on a sound and viable footing; at home, our people enjoy the fullest freedom to lead their lives as they wish; and abroad, we have earned ourselves a place in the international community of nations of respect and trust.

But while we thank God for these blessings and humbly rejoice in the success of our efforts, we must not forget those whose self-sacrifice and devotion to duty made this possible. It is to the officers and men of our Armed Forces including our resolute National Firqa to whom we look with particular pride and gratitude on this memorable day. Throughout the long, hard years of our struggle, it was their defiant resolution in the face of the enemy, their willingness to give their lives in the defence of our country that enabled us to build a new Oman."



His Majesty Sultan Qaboos bin Said



His Majesty tours the country regularly to meet his people

Future Development

"Self-reliance is to be the keynote of all our plans for the future. Our first priority must therefore be the consolidation and expansion of our economy. It has long been our intention that our economy should be so diversified that our dependence on the one resource — oil — is reduced. To do this, we must exploit our country's other natural resources and our industrial potential to the full. We shall not waste our efforts and our resources on meaningless prestige projects; everything shall be directed to the continued improvement of the standard of living of all our people and the strengthening of our national infrastructure and the security and stability of our country.

This, then, will be the theme of our second five-year plan that is to come into operation early next year. Over the next five years we shall spend more than*RO7,000 million on projects for this purpose. Electric power and water facilities, road building and other public utilities, housing and social welfare will receive special attention; as will agriculture and fisheries, which we are determined shall be deve-

* Omani Rial

loped to the point where our country is self-sufficient. This great programme will be spread throughout the entire Sultanate from the extreme north, the Musandum Peninsula, to the far limits of the Southern Region.

At the same time, steps are to be taken to fit our young people to become the scientists, technicians, doctors, agriculturalists and other specialists which we shall need in increasing numbers as the process of our modern development continues to gain momentum. To this end, Qaboos University is to be built at Nizwa which will provide courses in these subjects up to the highest international standards.

It happens in many places in the world that, as a modern state develops, so also do the complexities of its government multiply and the functions of that government tend to become increasingly impersonal. It can become completely remote from serving the needs of the people. This is something that we are determined shall not occur in Oman. Therefore, in our determination to serve our people we have issued instructions to a specialised body for a study to be carried out which will make recommendations for the broadening of the existing advisory machinery available to our government, so that the wishes and needs of our people can be taken into the fullest account in our national policy-making.

Even as we work and plan for this material and social development of our country, we must bear in mind that our strength does not lie in material prosperity alone. Our strength lies in the great traditions of our glorious Omani culture, and the teachings and laws of our Holy Religion. We must never let an obsession with material things and alien thoughts blind us to this fact. We must equally foster and safeguard our traditional industries so that our cultural heritage is handed on intact to generations to come.

These, then are to be the broad plans and principles that are to provide the impulse for our future work."

The task facing His Majesty Sultan Qaboos in 1970 in rebuilding Oman was immense. Although oil had been commercially exploited in 1967, no other development had taken place. There were three primary schools for boys, one 12-bed American missionary hospital and 10 km. of road. Electricity was for a privileged few. Thou-

sands of Omanis left the country to study and live abroad. A foreign-led rebellion was in progress in the south.

In his first public statement after his succession, His Majesty promised:

"I shall work with every possible haste to make your life happy in preparation for a better future. In this duty I need the assistance of every one of you. Our nation in the past was glorious and powerful. If we work together, cooperating on a united front, we shall be able to regain our past glory so as to claim our rightful place in the Arab world. Oman in the past was in darkness, but with the aid of God, a new dawn will arise for Oman and its people.

May God preserve us and crown our efforts with success."

Thus His Majesty spelt out his vision of a new Oman. For the first time, income from oil was to be used to benefit the people. The Omani people responded to his call. Thousands returned from voluntary exile.

A massive development programme was launched to build a basic social and economic infrastructure. Schools, hospitals and clinics, roads and houses were built. Welfare aid was introduced. Girls attended schools for the first time. A new port was created at Muscat, the capital, while a second was developed at Raysut in southern Dhofar. An international airport at Seeb, capable of handling the world's latest airliners, began operations in 1973 while a second airport at Salalah catered for domestic flights.

Postal services and telecommunications were established. Oman was put in instant touch with the world with the opening of an earth satellite station in 1974. Colour television was introduced.

By 1975, a sizeable economic and social infrastructure had emerged, making further development possible. Also by that year, the foreign-led rebels in the south had finally been defeated.

Throughout its 10 years of intensive growth, Oman has not lost sight of its rich cultural heritage. His Majesty has insisted that the values of Islam and Omani traditions be fully and carefully preserved in the process of rapid change.

Oman today enjoys economic and political stability and a rising standard of living — the result of 10 years of solid growth under the leadership of His Majesty Sultan Qaboos bin Said. The transformation of Oman from abysmal backwardness into a viable 20th century Arab state was achieved in spite of it being a modest oil-producer and having to crush a foreign-led rebellion in the southern region of Dhofar, which borders on South Yemen.

A politically and economically stable Oman is important to the world for it occupies a highly strategic position. Its 300,000 sq km. of land stretch from the Strait of Hormuz in the north to the frontier with South Yemen in the south. Through Oman's territorial waters in the Hormuz Strait run deep sea lanes, used by the world's oil tankers carrying 90 per cent of Japan's oil supplies, 64 per cent of Western Europe's and 30 per cent of the United States'.

Oman is committed to protecting the right of peaceful passage of oil tankers and other international shipping through its territorial waters. The Sultanate has made it clear that while it will accept defence assistance from friendly countries, it will not allow foreign bases on its territory. Rapid development of Oman's defence capability continues to be a major national policy.

Oman also continues to work actively for closer economic cooperation with the Gulf states. Gulf security and economic development were among the major topics discussed by Heads of Arab Gulf states at the recent Islamic summit conference at Taif. As a result of these talks, it was decided that foreign ministers of the Arab Gulf states would meet later for further discussions.

As a member of the Third World and the Arab Nation, Oman has steered clear of regional conflicts and super-power rivalry. Oman has, however, repeatedly drawn attention to the danger to world peace of the continued Soviet military occupation of Afghanistan and of the Soviet military build-up in South Yemen and in other areas. Accordingly it voted with 36 other Islamic nations at the Islamic summit conference for a resolution calling for immediate withdrawal of Soviet forces from Afghanistan.

Last year, Oman signed an agreement with the United States on economic, trade and security cooperation.



Muscat : Waterfront on evening of 10th National Day

At the beginning of this year, Oman launched its second five-year plan which seeks further substantial economic and social growth. The Sultanate's Development Council which drew up the plan is confident it will lead to a "new era of economic prosperity and development."

Basically, the plan aims at generating higher growths in agriculture, fisheries, minerals and manufacturing than were achieved in the first development plan. At the same time, the economic infrastructure will be greatly expanded. Considerably more will be spent on education, health and other social services, to meet rising needs of the people. Development expenditure is estimated at RO 2,152 million which is more than twice the sum allocated for this item in the first plan.

A feature of the new plan is the considerably greater financial assistance the government will give to the private sector, which is expected to play a much bigger role in developing Oman's economy.

Financing of the plan will be mostly from oil earnings. Oil production has risen to 330,000 barrels per day and will be maintained at this level till 1985. New oil fields in the south and interior came on stream towards the end of 1980.

Total expenditures are estimated at RO 7,364 million. Government revenues over the five years are estimated at RO 6,947 million, excluding sums allocated for the State General Reserve Fund, set up last year.

The first five-year plan ended in 1980. It achieved high growth rates in both the economic and social sectors. Provisional estimates show the gross domestic product rose to a record RO 1,587 million last year. All sectors contributed to the growth. Oil accounted for RO 1,241 million.

At the end of 1979, the GDP at current prices stood at RO 1,173 million, compared with RO 724 million in 1975, the base year. The increase was RO 449 million (62 per cent), of which oil contributed RO 234 million. In the four-year period, agriculture and fisheries grew by 58 per cent, manufacturing by 576 per cent, electricity and water by 417 per cent, transportation and communications by 56 per cent, trade by 116 per cent and banking by 75 per cent.

Oil continued to be the mainstay of the economy but the high rates of growth of the other sectors were good indicators of the success of the plan. Particularly significant were the increases in agriculture, fisheries and manufacturing as a major aim of the plan was to diversify the economy away from heavy dependence on oil.

By the end of 1979, the government had also achieved a budget surplus of RO 42 million and a surplus of RO 124 million in its balance of payments. Inflation, which was at its peak in 1974/1975, slowed down.

Increased activity in oil exploration had paid off. New oil fields were discovered and developed in the south and the interior. The fields at Qaharir, Marmul and Birba in the south and at Sahmah in the interior are now in production, adding 82,000 barrels a day to Oman's total oil production. From 1981 to 1985, output is pegged at

330,000 b/d, generating enough revenue to finance Oman's development needs over the five years.

An important development was the increasing participation in manufacturing, agriculture and fisheries projects by Omani entrepreneurs.

Social development which had begun in 1970 was intensified during the five-year plan. More schools, more clinics and small hospitals and more low-cost housing units were built throughout the country. There are now 14 hospitals. The health service reaches even the most remote areas.

In the 1980-1981 school year, some 111,070 boys and girls attend 373 schools and four training institutes. The government is paying particular attention to raising standards and preparing young Omanis for the Sultanate's future needs of trained manpower. The school curriculum is being Omanised to ensure that Omani educational needs are met, particularly in the fields of religion and culture. The Omanised curriculum will cover all primary and preparatory grades by the end of the year.



Muscat gate

At the tertiary level, some 800 Omani men and women are on scholarships at universities and technical institutes overseas. Plans to set up Qaboos University at Nizwa were announced by His Majesty Sultan Qaboos during the 10th National Day celebrations.

Communications, roads, transportation, water and electricity supplies and other facilities are being further developed to meet the requirements of an expanding economy and a rising standard of living.



Omani potter

HISTORY

Oman constitutes one of the oldest ethnic and political entities in the Arabian Peninsula. Archaeological evidence shows that the first human activity in Oman dates back to the Stone Age, tens of thousands of years ago. Evidence of commercial activity goes back to the beginning of the third millennium B.C., and the first record in the world of long distance commercial seafaring in this period is that of the voyages made by Magan — the old name for Oman — ships bearing wood, copper and other minerals to the land of Sumer which existed before Babylon.

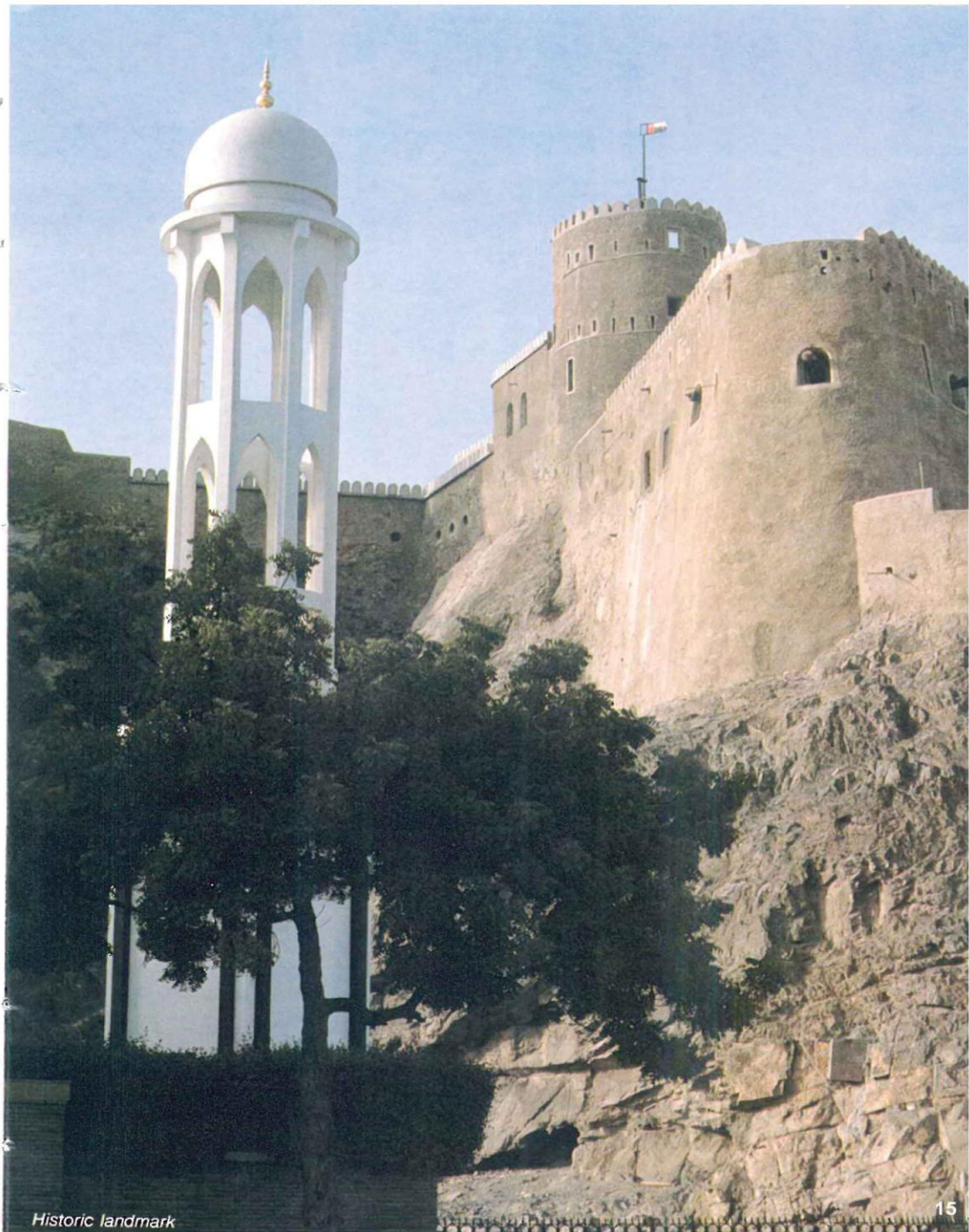
The recorded history of Oman begins with the advent and settlement of Arab tribes in the second century B.C. They came from Yemen and Najd, and included the Ai-Azd, from which the present ruling family is descended.

The Southern Province, Dhofar, formed part of the famed ancient South Arabian civilisation of the Sabeans and the Himyarites.

Oman was one of the first countries to embrace Islam, and the religion has acted as a unifying force within the country and serves as the foundation of the political and legal systems, and indeed the whole national life. During the commercial Golden Age of Oman, between the 7th and 15th centuries, Omani ships spread the message of Islam as far afield as Africa and China.

The advent of the Portuguese to Oman in 1507 brought this Golden Age to a temporary halt until Lisbon's domination of the Omani coasts was ended in 1649. The Portuguese were pursued out of the Gulf to East Africa, where many of their strongholds were captured and Oman became the first non-European power to spread its influence to that continent.

During the 17th and 18th centuries Oman was the dominant maritime power of the Western Indian Ocean and the wealth generated by maritime activities was used primarily in the development of Oman's agriculture. Internal stability, however, became threatened towards the middle of the 18th century when the Ya'aruba family lost control over the country and Oman became exposed to the dual threats of foreign invasion and internal disintegration. It was at this



Historic landmark



Sohar sets sail on Sinbad Voyage to Canton

period, however, that the Imam Ahmad Ibn Sa'id, Governor of Sohar, succeeded in rallying the nation and averting the danger. His assumption of power inaugurated the reign of the Al-Sa'id family, who have continued as the ruling house to the present day.

Iman Ahmad Ibn Sa'id's successors, notably Sultan Sa'id Ibn Sultan, continued to develop Oman as a major maritime commercial power, establishing trading agreements with the United States and a number of European countries. After the death of the latter in 1856, Oman experienced alternating periods of prosperity and stagnation until an entirely new era of development dawned in 1970 with the accession to power of His Majesty Sultan Qaboos.

Oman's rich history was highlighted in an Oman Heritage Festival during the 10th National Day celebrations last year. The Sohar, a traditionally built dhow sewn together with ropes made of coconut fibres, set sail from Muscat harbour in late November for Canton, which it expects to reach later this year. It is re-enacting the epic voyage of an Omani trader, Abu Ubaida Abdalla ibn al Qasim who made the first journey from Arabia to China in the middle of the eighth century. He took about two years to cover the voyage from Muscat to Canton.

GEOGRAPHY

Oman is located in the extreme south-east corner of the Arabian Peninsula with a total land area of 300,000 sq. km. of mountainous terrain punctuated by wadis and green valleys where the efforts of man have both created and cultivated arable land.

A mountain range extends from Ras al Hadd in the north-east to join other ranges that extend from Ras Musandam. The height of the mountains varies from 1,000 to 3,075 metres at Jebel al Akhdar, the "Green Mountain", which is covered with vegetation and where many fruit trees grow. To the east of the mountain ranges lies the fertile Batinah coastal plain which extends for 300 km. between the sea and the mountains all the way from Muscat to the boundary with the Emirates.

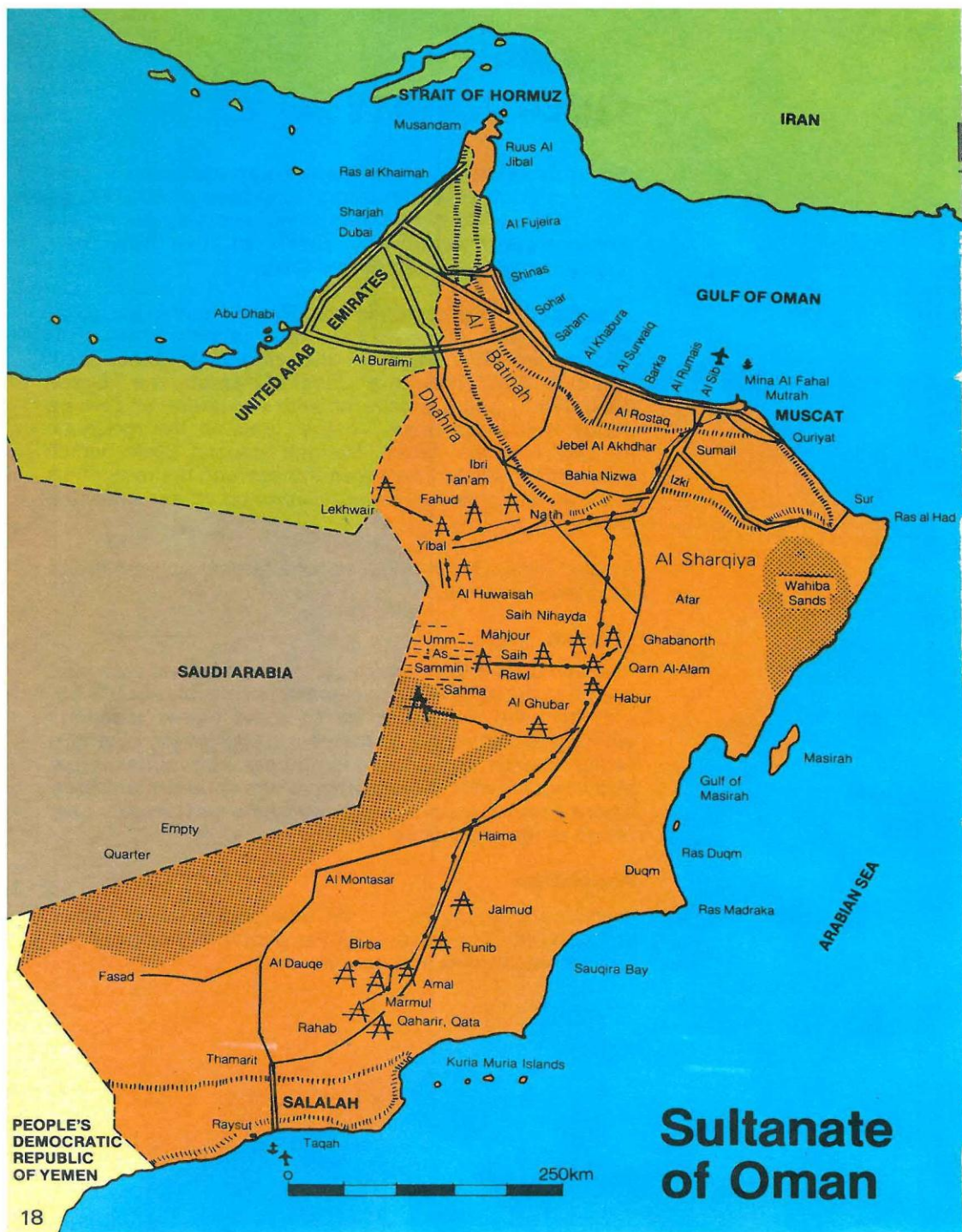
In land area, Oman is the second largest country in the Arabian Peninsula.

Climate

The climate varies from region to region. In the coastal area it is hot and humid in summer; in the interior it is hot and dry with the exception of some higher locations where it is temperate all the year round. In the southern region, the climate is more temperate. The rainfall is low and irregular with the exception of the southern province where heavy rains occur between June and October as a result of the monsoons.

Population

Preliminary estimates put the total population of Oman at 1,500,000. The majority of the people are engaged in agriculture, fishing and commerce.



PEOPLE'S
DEMOCRATIC
REPUBLIC
OF YEMEN

GOVERNMENT

The present administrative system of the State comprises the Council of Ministers (Cabinet), Specialised Councils, Governorate of the Capital City and Ministries.

The Council of Ministers is the highest executive authority, deriving its power from His Majesty the Sultan. It is collectively responsible to him.

Laws and decrees are issued by His Majesty the Sultan. International treaties, agreements and charters signed or approved by His Majesty become law from the date of their publication in the Official Gazette.

The Council of Ministers consists of:

Deputy Prime Minister for Security and Defence: H.H. Sayyid Fahr bin Taimour al Said

Deputy Prime Minister for Legal Affairs: H.H. Sayyid Fahad bin Mahmood al Said

Special Adviser to His Majesty the Sultan and Governor of the Capital: H.H. Sayyid Thuwainy bin Shihab

Minister of State for Foreign Affairs: H.E. Qais Abdulmunem al Zawawi

Minister of the Interior: H.E. Sayyid Badr bin Saud bin Hareb

Minister of Health: H.E. Dr. Mubarak al Khadouri

Minister of Diwan Affairs: H.E. Sayyid Hamad bin Hamoud

Minister of Communications, Civil Aviation, Ports and Roads: H.E. Salim Naser al Busaidi

Minister of Posts, Telephones and Telegraphs: H.E. Karim Ahmed al Haremy

Minister of Electricity and Water: H.E. Hamoud Abdulla al Harthy

Minister of Commerce and Industry: H.E. Mohammed Zubair

Minister of Petroleum and Minerals: H.E. Said Ahmed al Shanfari

Minister of Agriculture and Fisheries: H.E. Abdul Hafiz Salem Rajab

Minister of National Heritage and Culture: H.H. Sayyid Faisel bin Ali al Said

Minister of Social Affairs and Labour: H.E. Khalfan Nassir al Wahaibi

Minister of Information and Youth Affairs: H.E. Abdul Aziz al Rowas

Minister of Justice: H.E. Sayyid Hilal bin Hamad al Sammar
Minister of Land Affairs and Municipalities: H.E. Ahmed bin Abdullah al Ghazali

Minister of Awqaf and Islamic Affairs: H.E. Sheikh al Walid bin Zaher Al Hinai

Minister of Education: H.E. Yahya Mahfudh al Mantheri

Minister of Public Works: H.E. Dr. Asim al Jamali

Minister of State and Wali of Dhofar : H.E. Sayyid Hilal bin Sou'd bin Harib al Busaidy

Minister of State and Special Envoy for His Majesty the Sultan: H.H. Sayyid Shabib bin Taimour al Said

Specialised Councils

The Specialised Councils were set up by Royal Decree. They are under the chairmanship of His Majesty the Sultan and comprise members of the Council of Ministers. In addition to their official membership, the Councils include popular participation, thus giving the people a direct voice in government decisions.

At present eight such councils operate in the Sultanate; the two latest being the Council for Water Resources and the Council for Conservation of the Environment and Prevention of Pollution.

The main function of the Water Council is to co-ordinate exploitation of water resources so as to ensure that a balance is maintained between availability and requirements.

The Development Council plans objectives and general policies for economic development; supervises projects and procedures which fall within the general State Plan, and co-ordinates the activities of the different ministries and government departments in the execution of the current development plan.

The Council for Financial Affairs lays down the financial policy of the State and draws up the national budget. Among other things it studies the financial allocations for economic development projects approved by the Development Council.

The duties of the Council for Natural Gas include supervising concessions for prospecting and production of oil and natural gas.

The Defence Council deals in matters relating to defence which are referred to it by His Majesty the Sultan.

The Council for Agriculture, Fisheries and Industry is responsible for the development of these main economic sectors. Another primary function is to provide for greater participation by the private sector in the country's economic development.

Apart from being responsible for the Sultanate's education policy, the Education and Training Council ensures that output of trained Omani manpower is geared to the Sultanate's requirements.

The Governorate of the Capital is responsible for the administration of the Capital. The Governor of the Capital is also Chairman of the Tender Board.

For easier administration of Oman's large land area and scattered population centres, the country has been divided into 41 wilayas under the jurisdiction of the Ministry of the Interior. At the head of the each wilaya is a wali (governor) whose main function is to ensure that everyone in his wilaya benefits from the country's social and economic development.



*His Majesty with His Majesty
King Hussein ibn Talal of Jordan*

FOREIGN AFFAIRS

Oman's foreign policy is to extend its hand in friendship to all nations on the mutual basis of non-interference in each other's internal affairs, and to forge closer links with other Arab states. In line with this, Oman has steered clear of regional conflicts and super-power rivalry and worked actively for closer cooperation among Arab Gulf states in the political, security and economic fields. It views such co-operation as vital to the stability of the region.

Regional stability was referred to by His Majesty Sultan Qaboos in his speech on National Day last year. His Majesty said: "During these past years, world instability — and certainly the instability of this region — has seriously increased. In recent months, it has developed into a grave threat to world peace. This is partly due to a failure to solve old and intractable problems, partly to dangerously irresponsible actions by some countries, but it is largely due to the unbridled ambitions of the Soviet Union which has deliberately fostered and exploited the situation in its own interests. The result is that, today, the world faces a threat to its existence of such magnitude that unless it takes firm and united measures without delay, everything that it stands for, the freedom for which so many of its peoples have struggled and suffered, will undoubtedly be irretrievably lost.

Oman has given repeated and, we regret to say, largely unheeded warnings about these dangers. We have invited our brothers to join with us and aid us in preserving the stability of the area — an area not only vital to ourselves but to the whole world — but to no avail. Therefore, threatened as we are and we still have vivid and bitter memories of the realities and form of that threat — we have had no other choice than to seek the assistance of those who will provide us with the means to defend ourselves. We regard ourselves as members of the Third World, proud of our membership of our Arab Brotherhood of Nations; we have no desire to involve ourselves in the rivalry of the super-powers and no intention to serve the interests of others. We wish only that we and all countries of the region should be left in peace, and to play our part in working for the peace of the world. But let no one be under any misapprehension: our desire for peace does not stem from weakness. If we should be attacked, we shall defend the sacred inviolability of our country with all our strength and to the end."

Oman has repeatedly warned of the danger to regional and world peace of the continued Soviet military occupation of Afghanistan and of the Soviet military build-up in South Yemen and the Horn of Africa.

Soviet occupation of Afghanistan was high on the agenda of the Islamic summit held in Taif, Saudi Arabia, in January this year. Together with 36 other nations, Oman voted for a resolution calling for the withdrawal of Soviet forces from Afghanistan.

During the Taif conference, the Heads of State of Arab Gulf countries held separate sessions and decided to call a meeting of their foreign ministers later in the year to promote regional cooperation in security and economic matters.

Oman is committed to defending the right of peaceful passage of oil tankers and other international shipping through its territorial waters in the Strait of Hormuz.



His Majesty with H.H. Sheikh Khalifa bin Hamad al-Thani, Emir of Qatar



His Majesty with H.H. Sheikh Isa bin Sulman al-Khalifa, Emir of Bahrain

While Oman is agreeable to accepting defence assistance from friendly countries, it will not allow foreign bases on its territory.

In furtherance of its policy of working for increased co-operation between the Gulf states, the Sultanate hosted a meeting of Gulf Foreign Ministers early in March this year. The purpose of the meeting was to examine the ways and means of increasing cooperation in all fields and to prepare for a further Heads of State Summit Meeting later.

A peaceful solution to the Arab-Israeli conflict is another major aim of Oman's foreign policy. The Sultanate's position is based on three principles:

- (i) Israel's withdrawal from Arab territories occupied in 1967;
- (ii) honouring the Palestine right to self-determination;
- (iii) restoring Arab sovereignty over East Jerusalem.

The conflict was one of the main topics at the Arab League Summit, held in Amman, Jordan, in November last year. At the Summit, Oman was a signatory to a charter calling for a new Arab strategy in confronting Israel and for the setting up of an Arab economic development programme. It was agreed that Arab states which attended the conference would break off all relations with countries which recog-



His Majesty with H.H. Sheikh Saad Abdulla Al-Sabah, Crown Prince and Prime Minister of Kuwait

nised Jerusalem as the capital of Israel or moved their embassies there.

On the international front, Oman signed economic and trade agreements last year with the United States and China. In addition to economic cooperation, Oman and the United States have a defence understanding which enables the United States to use military facilities in Oman but not to base any forces on Omani territory.

Relations with member countries of the Association of South East Asian Nations were further strengthened during the year. Oman voted in favour of an Asean resolution at the United Nations General Assembly demanding the immediate withdrawal of Vietnamese forces from Kampuchea.

Before His Majesty Sultan Qaboos succeeded to the throne in 1970, Oman had diplomatic relations with only three countries — Britain, the United States and India. Today, there are 75 missions accredited to the Sultanate which has 30 foreign missions of its own.

Foreign Embassies with Resident Ambassadors

People's Republic of China
Democratic Republic of France
Republic of India
Republic of Iraq
Hashemite Kingdom of Jordan
State of Kuwait
Islamic Republic of Pakistan
Democratic Republic of Somalia
United Arab Emirates
United Kingdom of Great Britain
Democratic Republic of Sudan
Arab Republic of Egypt
Federal Republic of Germany
Islamic Republic of Iran
Empire of Japan
Republic of Korea
Kingdom of Morocco
State of Qatar
Republic of Tunisia
United States of America
Yemen Arab Republic
Kingdom of Saudi Arabia

Consulates

Republic of Austria
Greece
Republic of Switzerland
Kingdom of Denmark
Kingdom of Netherlands

Forty-eight other embassies and consulates are represented in the Sultanate by non-resident ambassadors.

Oman's Embassies Abroad

Tunis	New Delhi	Peking	Tokyo
Paris	Cairo	Bonni	Bahrain
Washington	Baghdad	Khartoum	Islamabad
Doha	Jeddah	Mogadishu	Nairobi
London	Amman	Sana	Algiers
Tehran	Kuwait	Rabat	Djibouti
Rome	Vienna		

Consulates

New York	Bombay	Karachi	Geneva
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Security patrol

DEFENCE

The armed forces are divided into the Sultan of Oman's Land Forces, Navy and Air Force. Rapid development of the Sultanate's defence capability continues to be a major national priority. Last year, the army added tanks and medium artillery to its defence equipment. This year, the navy will have more and larger patrol boats while the air force will strengthen its force of jet fighters.

Apart from purely military duties, the Sultan's Armed Forces assist the civil authorities in development and welfare programmes.

Ministry of Defence

In addition to its administrative responsibilities the Ministry, through its Engineering Division, has built and is maintaining the Sultanate's military defence bases, including airstrips and naval facilities. Many of these were in hitherto inaccessible areas, and so new roads (notably into the Jebel Akhdar) had to be built. Other engineering projects undertaken or in hand include water boreholes and providing electrical power supplies to remote locations, to serve both military and civil needs.

Army

Well trained and equipped with modern weapons, the Army has been consolidating since its success in defeating the foreign-led Dhofar rebellion in 1975. Training methods and patterns of leadership are now geared towards greater self-sufficiency at all levels of command, and reliance on foreign assistance has been correspondingly reduced.

The Army's civil projects have included assistance in providing better health and medical facilities. Army engineers have also built access roads to some of the more remote villages in Dhofar.

Air Force

As dependence on air defence grows and air transport requirements increase, so the Air Force is keeping fully abreast of its commitments. Its operational aircraft are

among the most effective in the Arab world, and its air defence system is under constant development. Training schools are already providing a steady flow of qualified young Omanis to meet future demands.

Helicopters and transport aircraft transport bulk supplies of food and other essentials to otherwise inaccessible areas, carry the sick and injured to hospital for treatment and respond to distress calls from ships at sea. Whenever and wherever air support is needed, the Air Force is ready.

Navy

The Navy's small but effective fleet of fast patrol vessels is in constant operation, guarding Oman's 1,700 km. of coastline. Prevention of illegal immigration and protection of Omani fishing rights are among its routine tasks. The Navy has the added responsibility of keeping the Strait of Hormuz secure for the world's oil tankers. Its working contacts with elements of friendly naval forces which pass through Omani waters are a valuable means of fostering comradeship and exercising its professional expertise.

The Navy plays a vital role in the Search and Rescue organisation which has saved many lives at sea and has enabled medical emergencies to be dealt with promptly. As to the future, the new training base at Sur will ensure that the Navy's more advanced ships and techniques will be matched by the skills of its officers and men.



M60 tanks



Policewoman

POLICE

In the past decade, the police force underwent a period of expansion perhaps unequalled by that of any other country. In 1970-1971, the force had 209 men performing basic policing. Today, it has over 7,000 men and women whose first consideration in carrying out their duties is to be "at the service of the people". In recognition of their efficiency and dedication to duty, the force was renamed the Royal Oman Police and granted its own Colours by His Majesty Sultan Qaboos in 1974.

The Force maintains 13 main police stations, a Marine Division and an Air Wing to keep law and order. It is also responsible for immigration, customs, fire and prison services.

Police Academy

To facilitate the training of large numbers of young Omanis who join the Force, a new police Academy was built at Nizwa. Apart from offering basic police training courses, the Academy provides specialist training in such subjects as finger-printing, criminal photography and foreign languages.

The Academy also offers extensive sports facilities and friendly rivalry exists in the many sports tournaments and games organised between police divisions and the Academy.

Marine Division

The Marine Division is responsible for maintaining law and order at Mina (Port) Qaboos and Mina Raysut, and along Oman's 1,700 km- long coast.

The duties of the Marine Police Division require well-trained men able to work at sea and on land.

A marine base has been constructed at Sidab which maintains a large number of fast patrol boats. These boats carry out regular patrols in Omani waters and also maintain a continuous police presence in the vital Strait of Hormuz. Besides carrying out checks for illegal immigrants and contraband, the patrols visit isolated coastal villages, delivering food and medical supplies. Searches for overdue fishing boats and pleasure craft, emergency evacuations

from villages and shipping and security patrols for visits by V.I.P.s are among the Division's other duties.

Immigration

Immigration officers of the Royal Oman Police Force are on duty at airports and ports and other border control posts.

The entry and departure of foreign nationals to and from the Sultanate require careful security measures. Special training is given to personnel selected for these duties; with particular emphasis on politeness and command of languages.

Police Air Wing

Aircraft of the Police Air Wing operate from Seeb Airport. Police helicopters are used for regular area patrol duties and in medivac calls and for transportation of essential supplies to remote areas in the Sultanate which are inaccessible by road.



Police patrolling coastal waters

Fire Service

Men of the Fire Service are regular members of the Police Force. They attend an ordinary training course in fire fighting before attending special training at the Central Fire Station in Darseit.

The unit runs a fleet of modern fire service vehicles and fire fighting equipment. In addition to emergency services, the unit carries out inspection duties for fire prevention.

Policewomen

Before 1972, the Omani policewoman's main role was to carry out security checks on women passengers at Seeb International Airport. Today, policewomen perform duties similar to those of their male colleagues. These include traffic and criminal investigation duties.

Prison Service

One of the greatest changes since 1970 came about with the introduction of the Prison Department in 1973. Before the accession of His Majesty Sultan Qaboos offenders were jailed for indefinite periods and were freed at the whim of the then Governor of the Capital. Conditions were harsh.

The first prison rule announced by His Majesty the Sultan initiated a marked improvement in the system. "The purpose of the training and treatment of convicted prisoners shall be to encourage and assist them to lead a good and useful life." Prisoners are dealt with firmly but fairly in conditions that are a vast improvement on those of ten years ago. Today, many prisoners learn a trade that enables them to acquire a job on their release.

International Affairs

The Force is an active member of Interpol and the Arab Social Defence League. Its personnel regularly attend multi-national conferences at which police problems are discussed.



School for children of police personnel

Also concerned in international cooperation is the Customs Department of the Royal Oman Police. Representatives of the Department travel to many countries to be informed and to advise on matters pertaining to customs services throughout the world.

Thus the Royal Oman Police concerns itself not only with its domestic duties but is also familiar with international policing and customs trends.



Oil rig

THE ECONOMY

Oman's economy is sound after developing almost from scratch only 10 years ago. A high growth rate in the national income was achieved in the first five-year plan which ended last year.

Oil continued to be the main contributor to the gross domestic product (GDP). But high growths were achieved in the non-oil sectors. Of significance were the increases made in agriculture, fisheries and manufacturing as a main aim of the five-year plan was to diversify the economy away from heavy dependence on oil.

By the end of 1979, Oman had achieved a surplus in its balance of payments which had been in deficit for several years. Inflation which was running at around 25 per cent in 1974/1975 was reduced to under 10 per cent.

The financial position was further strengthened last year which saw a steep rise in the GDP. Provisional estimates show that last year's GDP was RO 1,587 million, the highest ever. Oil contributed RO 1,241 million.

Further substantial growth is forecast in the second five-year plan which was launched at the beginning of this year.

First Five-Year Plan

The economy began to develop only in 1970 after the accession of His Majesty Sultan Qaboos. The national priority then was to use the country's oil income which had accumulated from 1967 to build the basic infrastructure on which future economic growth depended. By 1975, a sizeable infrastructure had emerged. Roads, ports, airports and telecommunications had been built and water and electricity supplies had become available.

In 1976, the first five-year plan was launched. Among its main objectives were:

- (i) to develop new sources of income to supplement and eventually to replace oil revenues;
- (ii) to increase investment in income-generating projects, particularly in agriculture, fisheries, mining and manufacturing;

- (iii) to shift the pattern of investment from the public to the private sector;
- (iv) to distribute projects evenly so that the less developed areas could benefit, and to narrow the gap of living standards between regions;
- (v) to develop human resources gradually to overcome the acute shortage of skilled Omani manpower.

Results of the first four years show the plan was successful. A detailed account of the economy's performance in 1980, the final year of the plan, is being prepared. Provisional estimates put the GDP at RO 1,587 million. All sectors contributed to the growth. Oil continued to be the major contributor.

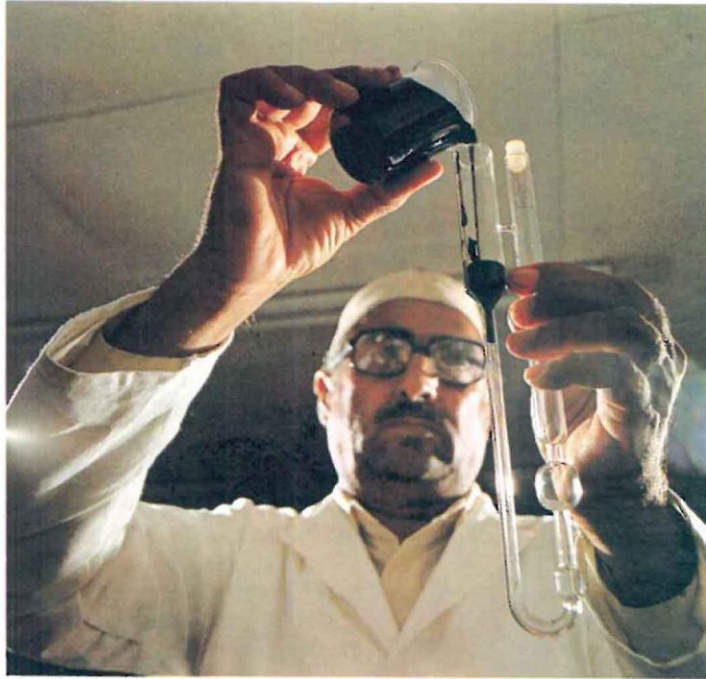
At the start of the plan, an immediate concern of the government was the declining oil output. Petroleum Development Oman in which the government owned 60 per cent accelerated its exploration activities. The government also gave concessions in new areas to other oil companies. These measures proved successful. More oil was discovered and Oman's proven oil reserves in January 1980 rose to 2,480 million barrels as compared with 1,329 million barrels in January 1976.

New PDO fields at Qaharir and Marmul in the south and an Elf group field at Sahmah in the interior came on stream around the end of 1980. Another PDO field at Birba in the south began production this year. Additional fields will be developed between now and 1985, the period of the second five-year plan.

Production this year will be 330,000 barrels a day and this level will be maintained through 1985. Last year, the average daily output was 282,000 barrels.

In addition to the oil discoveries, natural gas fields were found during the exploration drilling. These fields have good prospects of being exploited for export at the beginning of the 1990's. Gas, however, has been fuelling the Al-Ghubrah desalination and electricity complex in the Capital area since 1978 when a pipeline from the Yibal in the interior was completed.

By changing over to gas, the Al-Ghubrah complex saved about 2.1 million barrels of oil a year. A 250 km. extension



Crude oil being tested

By courtesy of PDO

is being built to the Yibal-Ghubrah gas line to feed the Sohar copper project. By 1985, domestic gas consumption is expected to increase to 3.7 million cubic metres as other industries will be using gas. By then savings in oil consumption will be about 7.9 million barrels a year.

A second area of immediate concern was Oman's financial standing. Largely as a result of heavy spending on building up an economic and social infrastructure, Oman had large budget deficits in 1974 and 1975, amounting to RO 62.1 million and RO 107.8 million. It also had a deficit in its balance of payments. To deal with the problem, the government rationalised financial procedures; expanded considerably the range of projects submitted for tender; controlled government recurrent expenditure; and secured grants and loans on easy terms.

As a result of these measures and the doubling of oil prices in 1979, Oman had a budget surplus that year of RO 42 million and a balance of payments surplus of RO 124 million. Inflation also slowed down.

The financial position was further strengthened last year which saw a steep rise in the GDP.

A third immediate objective of the development plan was to get the private sector to invest in manufacturing, agriculture, fisheries, petroleum and mining. Local entrepreneurs had been involved mainly in commerce and real estate as these had been giving high returns.

To attract private investment in the desired sectors, the government established the Oman Development Bank to provide long and medium term financing, granted tax exemptions and incentives. These measures drew a favourable response from the private sector which invested a total of RO 333 million in the four-year period. This was RO 8 million more than anticipated. Total private investments in manufacturing during the four years exceeded RO 50 million while those in agriculture and fisheries amounted to RO 16 million.

By 1978, there were 536 establishments in the manufacturing sector, excluding traditional industries and handicrafts and services such as vehicle repair workshops and tailoring. Most of them were small projects which were more suited to the Omani economy. Among them were those producing paints, asbestos cement pipes, building materials, furniture, steel and aluminium works, dairy products, poultry and soft drinks.

At the end of 1979, the GDP at current prices stood at RO 1,173 million, compared with RO 724 million in 1975, the base year. The increase was RO 449 million (62 per cent), of which oil contributed RO 234 million. In the four-year period, agriculture and fisheries grew by 58 per cent, manufacturing by 576 per cent, electricity and water by 417 per cent, transportation and communications by 56 per cent, trade by 116 per cent and banking by 75 per cent.

Oil continued to be the mainstay of the economy but the high rates of growth of the other sectors were good indicators of the success of the plan. Particularly significant were the increases in agriculture, fisheries and manufacturing as a major aim of the plan was to diversify the economy away from heavy dependence on oil.

In 1980, several projects to further develop Oman's econo-

mic infrastructure were launched or completed. A contract to build Oman's first industrial estate at Rusayl was awarded. The first phase is scheduled to be completed in 1982. Extensions to Mina Raysut were completed in early 1980. The port has been receiving increasing traffic. Further extension work was also carried out in Mina Qaboos. New roads were built or extended in the jebel in Dhofar, the strategic Musandam Peninsula and the Capital area. Construction of the north-south Nizwa-Thamarit highway was accelerated. Water supplies were improved in Sur, Sohar, Buriami and Nizwa while electricity supplies were extended to several more rural areas. Several markets and distribution centres for agricultural and other products were set up to promote commerce. One of the major projects was the launching of an extensive programme to expand the telecommunications network.



Omani oil riggers

By courtesy of PDO

Among the small industries, being developed by the private sector, are those producing ice; detergents; vegetable oils; corrugated paper boxes and cartons; chain-link fencing and metal containers.

Three of the bigger projects involving the private sector are a cement plant, an animal feed mill and a salt refinery. The cement plant which will produce 120,000 tonnes per year, is to be built in the south and completed by 1983. It will use locally quarried gypsum, shale and sandstone. The plant is 80 per cent owned by private Omani shareholders, 10 per cent by the government and 10 per cent by the Oman Development Bank.

The animal feed mill is part of an expansion programme of Oman Flour Mills. It is due to go on stream later this year and produce 60,000 tonnes a year for the domestic and export markets.

The salt refinery is to be set up at Qurayat and will produce about 8,000 tonnes annually for domestic and industrial use. Of this, about 1,000 tonnes will be used as input for a proposed chloralkali plant in Ghubrah.

Oman's major industrialisation programme is designed to include only those projects for which it has the natural resources. Under this category come the Sohar copper mining and smelting complex, which will produce about 20,000 tonnes of high grade copper a year; a 620,000-tonne-a-year cement factory at Rusail industrial estate and a 50,000-barrel-a-day oil refinery near Mina Al Fahal, an oil terminal.

Construction of the copper smelting plant is expected to be completed this year and production is scheduled to begin in 1982. The main copper reserves are at Baida, Arga and Liasail in the north west and drilling has indicated the presence of about 11 million tonnes of ore with copper content of just over two per cent. Opening up of the copper mines began in June 1979.

Construction of the cement plant has begun. Production is due to start in mid-1983.

The oil refinery is being built to meet domestic needs for refined oil products which the Sultanate now imports. The

design contract for the refinery was awarded in 1979. The plant is due to go on stream by the end of this year.

Second Five-Year Plan

Oman launched its second five-year plan at the beginning of this year. The Development Council which drew up the plan is confident it will lead to a "new era of economic prosperity and development".

Basically, the plan aims at generating higher growths in agriculture, fisheries, mining and manufacturing than were achieved in the first development plan. At the same time, the economic infrastructure will be greatly expanded. Considerably more will be spent on education, health and other social services, to meet rising needs of the people. Development expenditure is estimated at RO 2,152 million which is more than twice the sum allocated for this item in the first plan.

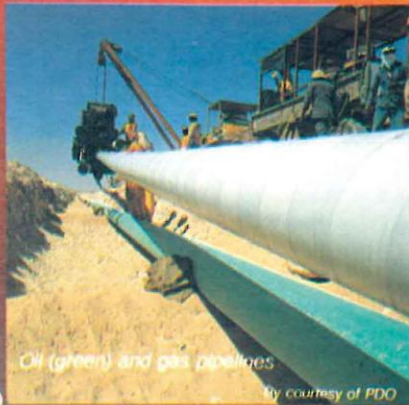
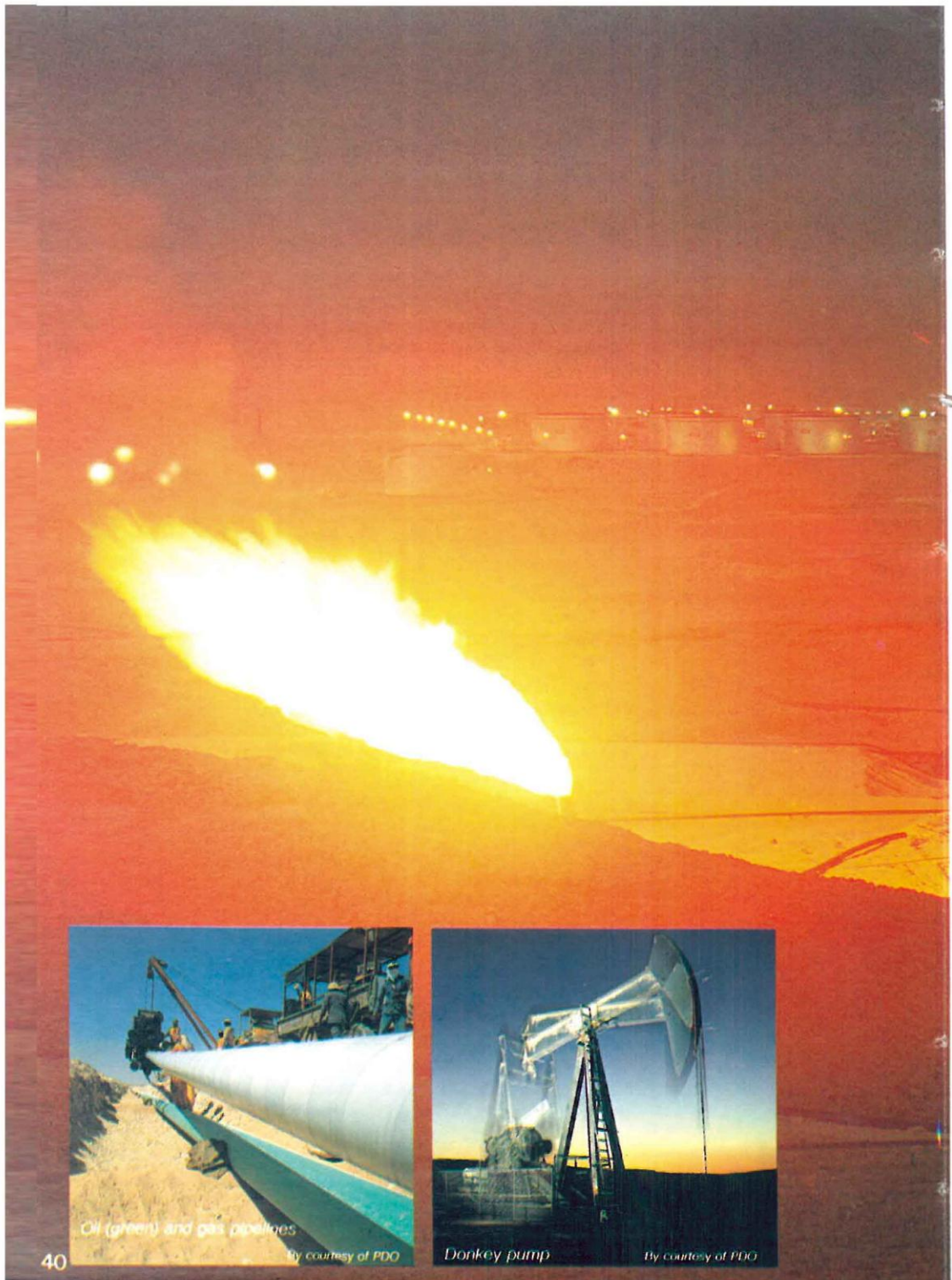
A feature of the new plan is the considerably greater financial assistance the government will give to the private sector, which is expected to play a much bigger role in the continued growth of the economy.

Financing of the plan will be mostly from oil earnings.

Total expenditures are estimated at RO 7,364 million. Government revenues over the five years are estimated at RO 6,947 million, excluding sums allocated for the State General Reserve Fund, set up last year.

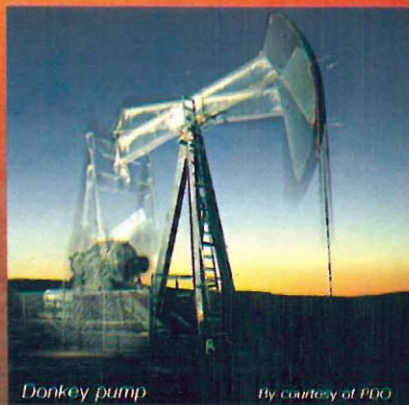
Oil is expected to provide nearly 92 per cent of the total revenues. Production is pegged at 330,000 barrels per day throughout the five years, which is about 50,000 barrels more than the daily average for 1980. The government which is a major shareholder of Petroleum Development Oman, will spend RO 544 million on the company's development programme. Natural gas assumes a growing role in the economy and is anticipated to generate RO 191 million in revenue. The plan also envisages a total revenue of RO 343 million from other sources.

To generate a high growth rate in agriculture and fisheries, the Development Council has allocated RO 82.3 million to development expenditure to this sector. Of this amount,



Oil (green) and gas pipelines

By courtesy of PDO



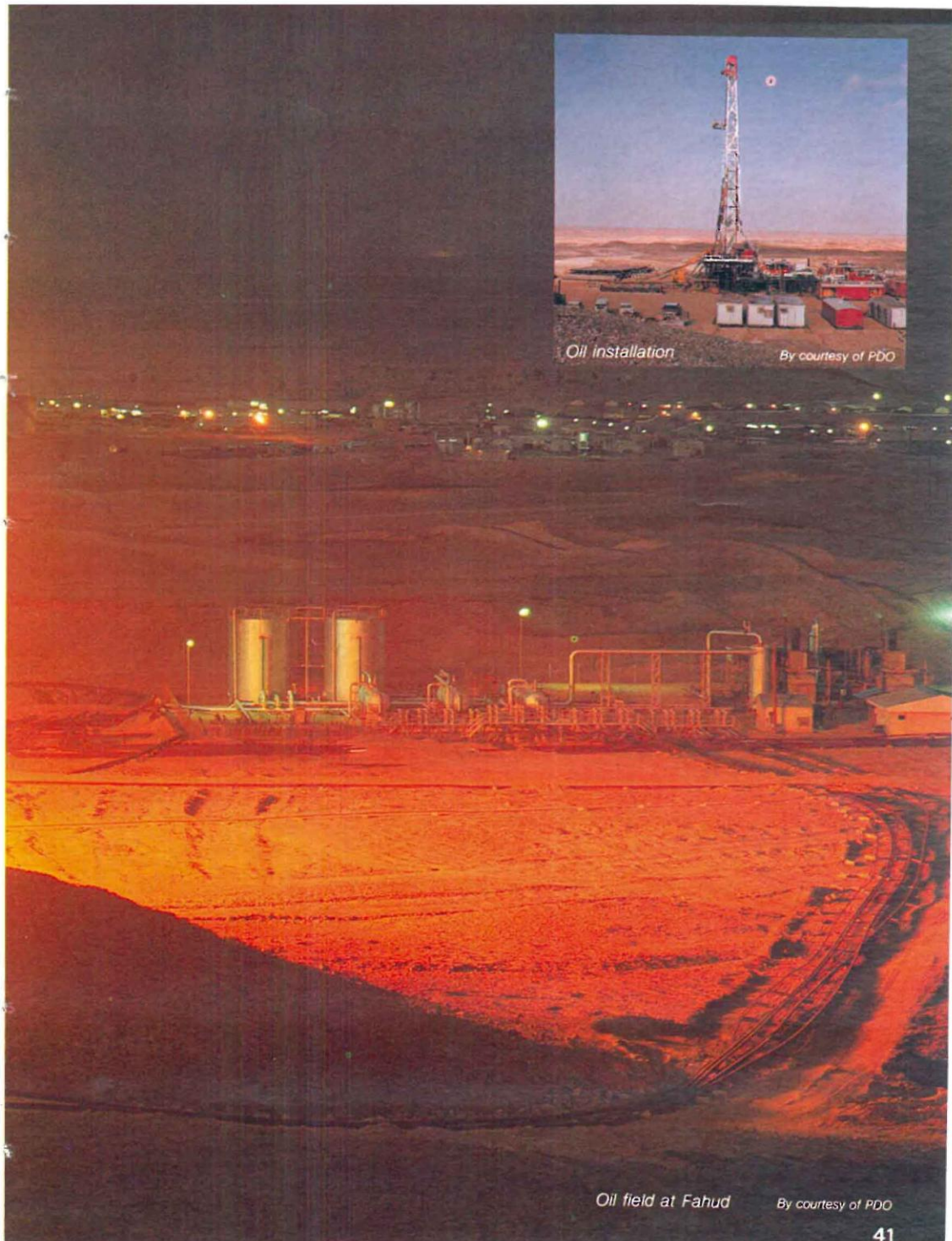
Donkey pump

By courtesy of PDO



Oil installation

By courtesy of PDO



Oil field at Fahud

By courtesy of PDO



Fish for export

RO 43.5 million will be distributed in government aid, largely in the form of modern equipment to farmers and fishermen. Another RO 19 million is for establishing and financing a new Agricultural and Fisheries Bank which will extend credit at concessional terms. Development of water resources will absorb RO 55.7 million.

At a different level, the government is to give a strong push to the private sector to increase investment in manufacturing, mining, agriculture, fisheries and handicrafts. Apart from the Rusail cement plant, the oil refinery and the Sohar copper complex, the government will not set up major industrial projects. Its role will be to give financial and technical assistance to the Omani entrepreneurs to develop productive enterprises. It has allocated RO 135 million for financial assistance to the private sector. Of this, RO 16 million will be in the form of grants for small-sized projects and the remaining RO 119 million in interest-free loans, repayable over 20 years, including a five-year period of grace. In addition, RO 20 million each is allocated to the Oman Development Bank and the Housing Bank to increase their financial resources.

In the further build-up of the economic infrastructure, RO 265 million has been allocated for building new roads and completing roads now under construction. Qaboos Harbour is to be extended at a cost of RO 30.5 million. Expansion of telecommunications is estimated at RO 62.5 million.

More social development projects will be extended to several regions with priority given to areas such as Musandam, Dhofar and the Interior which have 'special geographic considerations'. These projects include schools, health centres, roads, electricity and water supplies; and cultural, religious and social services. Development expenditure of over RO 100 million has been allocated for low-cost housing, RO 84 million for education, RO 35 million for health and RO 158 million for water and electricity supplies. The Ministry of State for Dhofar has been allocated RO 37 million for development purposes while the Musandam Development Committee is to receive RO 33 million.

Joint Ventures

Oman is seeking joint ventures with countries which have management, technical know-how and finance.

To attract foreign investment, several incentives are offered. These include:

- 1 Tax exemption for five years or more for pioneer industries.
- 2 Long and medium-term loans on attractive terms from the Oman Development Bank provided such funds are used to finance projects in industry, agriculture, fisheries, petroleum and minerals.
- 3 Planning and implementing selected projects by the Commission for Promotion of Industries.
- 4 Assistance in preparing pre-investment and feasibility studies.
- 5 Government participation in major projects.
- 6 Provision of land and infrastructure.

The Oman Development Bank encourages all potential investors with ideas for the development of Oman's resources to discuss them with it. All viable projects in the private sector involving investments of RO 20,000 or more will be considered for financing.

Investment Legislation

Foreign investment participation in industrial development is governed by the Foreign Business and Investment Law. A company with foreign investment should have a paid-up

capital of not less than RO 150,000 but the Committee for Foreign Capital Investment may recommend a reduction to a minimum of RO 30,000 for approval by the Development Council. The share of Omani nationals in the paid-up capital of such a company shall not be less than 35 per cent.

These joint companies are exempt from income tax for five years from the date of their establishment. If they are engaged in an economic development project, and provided that their paid-up capital is not less than RO 100,000, the period of exemption from income tax may be extended by another five years. The income tax rates are as follows:

Rate of Tax

- | | |
|--|-------------|
| (1) Companies having 51 per cent or more of Omani share capital: | 15 per cent |
| (2) Companies having Omani share capital of between 35 per cent and 51 per cent: | 20 per cent |

The tax is calculated only on income in excess of RO 20,000 per annum. Other rates apply to companies which are wholly owned by foreign nationals and which are not exempt from income tax.

Repatriation of Profits and Remittances

There are no restrictions on the free transfer of a company's profits or of an individual's remittances outside the Sultanate. There is no personal income tax.

Customs Duties

There are no import duties on seeds, fertilizers, live plants, agricultural equipment, insecticides for agriculture, books and printed reports, all types of milk except milk with sugar, all oils and fats except pure animal butter and vegetable butter, tea, meats (frozen or fresh), fresh vegetables and fruits, rice, barley and barley flour and petroleum products.

An import duty of 25 per cent is levied on potatoes and bananas. Alcoholic beverages carry an import duty of 75 per cent. A tariff of up to 25 per cent can be imposed on any product if this becomes necessary for the protection of local production.

All other items not mentioned above carry an import duty of two per cent only. Therefore, Oman has a free economy where every reasonable facility and encouragement is given to the entrepreneur — local or foreign — to set up industries contributing to the economic development of the country.

Arbitration Committee

An important role in the commercial life of Oman is played by the Committee for the Arbitration of Commercial Disputes.

This body, consisting of six leading businessmen plus representatives of the Ministry of Commerce and Industry, was set up by Royal Decree and its decisions are final and binding.

The Committee, which meets twice a week, applies the commercial laws of the Sultanate when assessing cases brought before it. It is assisted by legal experts.



Examining mud cuttings from oil exploration wells

By courtesy of PDO

The non-government members of the Committee are nominated because of their diverse business and trade experience, and because they are familiar with the principles of trading in Oman. The Chairman of the Committee is the Under-Secretary in the Ministry of Commerce and Industry.

Chamber of Commerce and Industry

The Oman Chamber of Commerce and Industry was established by Royal Decree in 1973 to encourage commercial and industrial development in the Sultanate, and all business organisations in Oman are expected to be members.

The Chamber acts as a bridge between Omani and foreign businessmen and promotes, organises and protects the economic interests of the local business community. Among the services it provides are information about the fields of operation, the category of members, and clarification of practices and procedures governing trade and industry in Oman. Both local and foreign businessmen can obtain statistical data and other details about local markets, and members are kept in touch with foreign markets by means of the Chamber's bulletins and magazines.

The Chamber legalises documents, invoices, agency and labour contracts and issues certificates required in trade and industry. It acts as arbitrator in the case of commercial disputes between local members and foreign businessmen, and takes part in discussions of problems with various government organisations.

The Chamber also sponsors visas for foreigners wishing to establish business relations in Oman who do not have a contact in the Sultanate or an Oman Embassy in their country of origin.

Commerce

Historically, the trade of Oman centred around a few merchants based in Muscat and Muttrah. After July 1970, however, many other merchants set up in business, initially in the Capital area and later elsewhere.



Welding pipeline

The range of commodities in which trade took place expanded considerably; the main imports being foodstuffs, construction equipment, building materials, household goods, consumer semi-durables, motor vehicles and office furniture.

The mainspring of the rapid trade growth was construction, and nearly all the important merchant firms have diversified into this activity, several establishing partnerships with large overseas contracting companies to compete for major development projects.

Lower down the scale, retail trading was traditionally centred on small shops and stalls in the market areas of the main towns and villages throughout the country. These comprised mainly general food shops, supplying various foodstuffs, provisions and fresh produce; hardware shops dealing in household goods (which often also sold food) and textile shops supplying cloth and garments. There were also silver and gold traders and, in specific areas of the market, stalls selling meat and dried or fresh fish.

The main towns, particularly the Capital area, now boast a variety of modern shops, supermarkets and specialist stores which have opened for business in various areas during the past 10 years. Virtually any commodity can now be readily obtained, in contrast to 1970 when the selection of goods available was extremely limited.

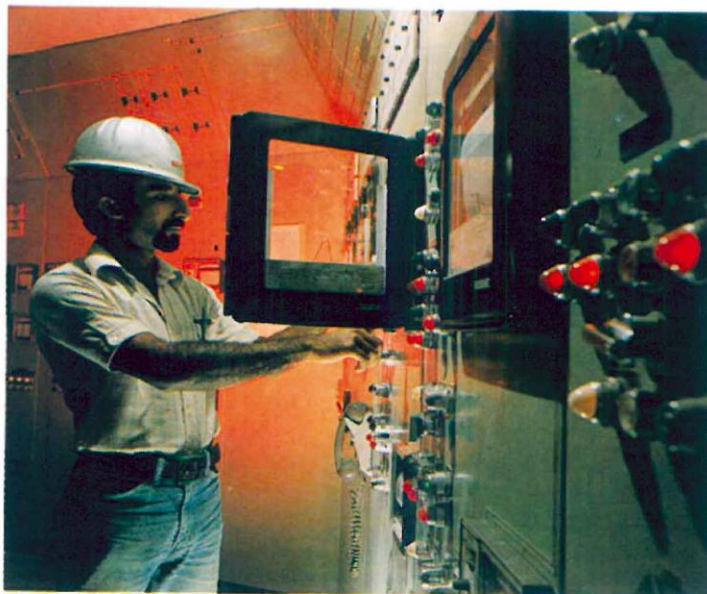
OIL & GAS

New oil fields have come on stream in Oman raising output, which had been declining since 1977, to 330,000 barrels per day (b/d). Production will be kept at this level certainly until at least 1985 as this quantity will generate enough revenue to finance the second five-year plan.

Oman produced an average of 282,000 b/d last year. Current price, as at January 1, 1981, is US\$37.50.

Revenue from oil is estimated at RO 1,176 million this year, which is 92 per cent of the total estimated revenue. Estimated oil income from 1981 to 1985 will be RO 6,376 million out of a total revenue of RO 6,947 million.

The new fields are at Qaharir, Marmul and Birba in the south and Sahma in the south west. The southern fields, operated by Petroleum Development Oman (PDO), produce 70,000 b/d. Output from the Sahma field, operated by the Elf Aquitaine group is 12,000 barrels. PDO which is 60 per cent owned by the government will develop additional fields during the next five years. Oil from the new fields is of varying quality, ranging from very low gravity and viscous crude at Marmul to light crude at Birba and Sahma.



Control centre at Mina al-Fahal oil complex

By courtesy of PDO

The new finds are relatively small but taken together they have increased the country's recoverable oil reserves substantially. In January 1976, these reserves were estimated at 1,300 million barrels. In 1980, the estimates were given as 2,500 million barrels. The rate of success in discovering new oil resources has been so high that PDO and other groups are certain they will find more oil. The current price of US\$37.50 for Omani crude has also made it viable for oil companies to work fields which would otherwise have been marginal, and spend more on exploration.

Other groups exploring for oil are Gulf and Cluff Oil; and Deminex, Agip and Hispanoil with British Petroleum as the operator.

Off-shore drilling has been going on in three areas — Musandam, Masirah and Soqrah.

Another boost to Oman's economy has been the discovery of more natural gas reserves. Proven recoverable reserves are estimated at 5,000 million cubic feet.

Oman's first natural gas project was completed in 1978 with a 331 km. pipeline from Yibal in the interior to the Al Gubrah, desalination and electricity generating complex in the Capital area.

By changing over to gas, the Al Gubrah complex saved about 2.1 million barrels of oil last year.

By 1985, domestic gas consumption is expected to increase to 129 million cubic feet as new industrial development projects such as the Sohar copper complex will be using gas. By then savings in oil consumption will be about 7.9 million barrels a year.

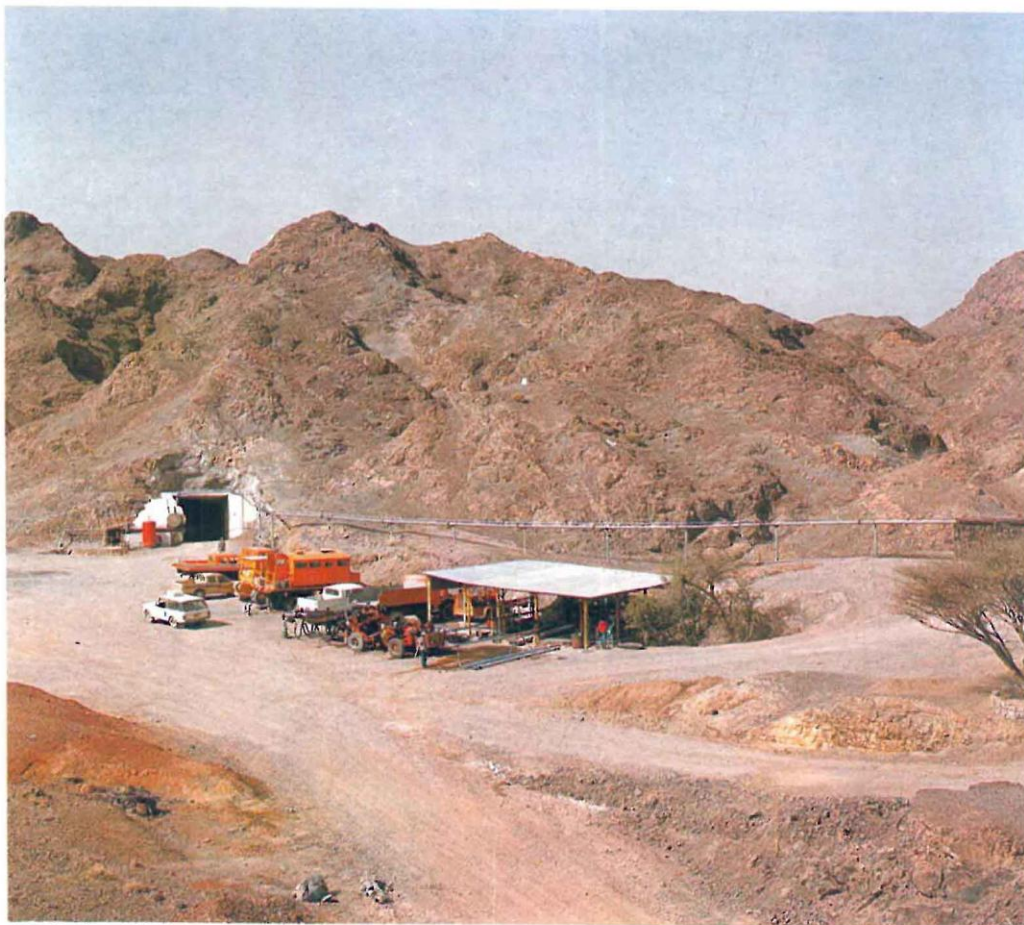
In addition, there are also large quantities of natural gas associated with oil production. Two plants to produce associated gas have been completed and another will shortly be commissioned.

A domestic gas bottling plant has just been built at Rusail, using liquified petroleum gas(butane),brought by tanker from the PDO gas complex at Yibal. The initial monthly production is 10,000 cylinders.

MINING

Mining is being developed as a major economic activity as Oman has large mineral deposits. The first two projects in this field are copper and limestone.

The main copper reserves are at Baida, Arga and Liasail in Sohar where drilling has indicated the presence of some 11 million tonnes of ore with copper content of 2.1 per cent. Opening up of the mines began in mid-1979 and building of an extraction and smelting complex is due to be completed this year. Production is scheduled to begin in mid-1982.



Work site at Sohar copper complex

By courtesy of PDO

Downstream processing of copper is being planned since there is a ready market in Oman and the neighbouring Gulf countries for copper wires and cables. Rural electrification programmes are expanding in the whole Gulf area.

The copper and other mining projects are being carried out by Oman Mining Company which was set up in early 1978.

A cement plant, utilising Oman's large limestone reserves, is being built at Rusail, site of a new industrial estate. The plant, capable of producing 620,000 tonnes a year, will also make use of local gypsum which has been found in huge quantities in southern Oman. Production is due to begin in 1983.

A smaller cement plant is being set up near Raysut in the south and will be completed by 1983. It will produce 120,000 tonnes per year and will use locally quarried gypsum, shale and sandstone.

The plant is 80 per cent owned by private Omani shareholders, 10 per cent by the government and 10 per cent by the Oman Development Bank.

Marble, which has a high export potential, is being quarried in various locations. Plans are under consideration to build a factory producing glass containers and other products from deposits of quartzites.

Other minerals that have been discovered include chrome and manganese, deposits of which are almost certainly commercially exploitable, coal, lead, zinc, asbestos, iron and nickel. Further investigations into these are continuing.

A recent industrial survey concluded that processed mineral products could replace oil exports in the future as the major income-earner.



Cattle raising in Dhofar

AGRICULTURE AND FISHERIES

The bulk of the population are still engaged in agriculture and fisheries which were the main pillars of the economy till the advent of oil. To assist farmers and fishermen to increase productivity, the government has been providing various forms of assistance, from supplying modern farming and fishing equipment, to carrying out research and organising better marketing and fishing facilities. In addition, the authorities have set up schools, health centres, low cost housing and other social services for farming and fishing communities.

By improving both the working and living environment and by increasing earnings through higher productivity, the government was able to slow down migration in the latter part of the seventies of farmers and fishermen to the Capital area and main towns in search of what were at one time more lucrative jobs.

At a different level, there has been considerable investment in agro-fishery industries and joint ventures involving the private sector.

At both levels, the agriculture and fisheries programme has had some success and this is reflected in the production figures for the first five-year plan which ended in December 1980.

Production exceeded the growth targets set in the development plan. In 1979, production amounted to RO 32 million which was over 1½ times the value of output in 1975. During the four-year period Oman also exported increasing amounts of vegetables and frozen fish. Production figures for 1980 are not available yet.

Development is to be considerably accelerated in the second five-year plan, 1981-1985. The government will invest RO 157 million during the five years, which is about four times the allocation in the first five-year plan. Of the RO 157 million, RO 51.9 million is earmarked for agriculture, RO 30.4 million for fisheries and RO 55.7 million for development of new water resources and maintaining and improving the falaj system, wells and water canals. Of the

total allocation, RO 43.5 million is for assistance to farmers and fishermen, largely in the form of modern equipment, and RO 19 million is for the setting up and financing of an Agriculture and Fisheries Bank. The national goal is to develop agriculture and fisheries to a point where Oman will be self-sufficient in food.

Agriculture

Oman possesses substantial land and water resources and differing agro-climatic regions, enabling it to grow a variety of crops. Modern development of agriculture began in 1970 and was intensified in 1976 when the first five-year plan was launched.

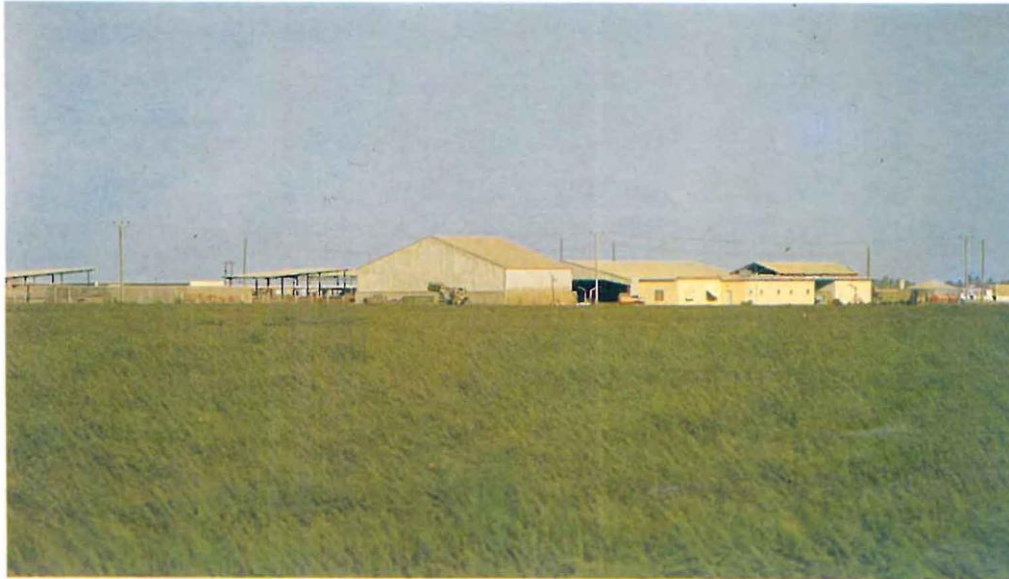
Modern farming methods, equipment such as tractors, harrows, ploughs; irrigation techniques including sprinklers, centre pivots and drip are now widely used.

To ensure that Oman's agriculture plan develops along the right lines, government research stations, soil and water testing laboratories test and evaluate the most suitable crops, fertilizers and pesticides. Back-up services for the farmers include soil and water analysis, provision of improved seeds, plants, fertilizers, pesticides and agricultural machinery and equipment at subsidised costs.

Extension workers in the field give free technical advice on latest cropping techniques as well as conducting demonstrations of improved seeds and techniques.

Marketing facilities are being strengthened and developed to meet farmers' needs to sell their produce as more land is brought under cultivation. Production is steadily increasing of traditional crops such as dates, limes, alfalfa, sorghum, bananas and onions and of recently introduced crops like tomatoes, cabbages and other vegetables.

Animal husbandry is being further developed. In Dhofar which has a long tradition of cattle raising, scientific breeding methods are in use. Local strains are crossed with animals from Europe, Africa and America to improve output of milk and beef. Research is also going on to produce better quality sheep and goats with heavier body weight. Poultry farming, which is largely confined to the private sector, for production of eggs and broiler meat is being expanded.



Farm in Dhofar

Major projects completed during 1980 included a veterinary diseases investigation laboratory at Rumais, an animal quarantine station at Raysut, veterinary clinics at Zeak, Al Saan and Medinat Al Haq on the Dhofar Jebel, and an agriculture centre complex at Ibra to house the Regional Directorate of Agriculture of the Sharquiya Region. The construction of a banana processing plant at Salalah was also completed and equipment for the plant is expected to be installed during the first half of this year.

Other projects in progress at the end of 1980 included an animal quarantine station at Seeb, the establishment of a fumigation chamber at Mina Qaboos, the setting up of an agriculture and livestock research station and a research centre to include soil, water and plant protection laboratories at Salalah and establishment of quarantine stations in the border areas.

Fisheries

In the first five-year plan, the major policies of the government were focussed on modernising the fisheries sector to raise output; providing facilities for marketing of fish; upgrading the socio-economic well-being of fishermen

and improving their technical ability; and increasing opportunities for new investment.

To realize these aims, various projects were implemented which contributed directly or indirectly towards the development of the fisheries sector.

Two integrated fisheries projects were established at Mutrah and Salalah. These included cold stores, freezers, ice plants, ice storage and chillrooms. Three 65 ft. trawlers were also provided with the Mutrah project. A marine workshop and a fish collecting station were included in the Salalah project.

To distribute fish in the inland towns and villages, refrigerated transportation was provided. Other cold storage complexes were built at Khasub and Buraimi. A similar project is under construction on Masira Island. Smaller cold store facilities were also provided at Diba, Ibra and on the Kuria Muria islands.

A marine workshop was completed at Merbat. Others are being provided at Shinas, Saham, Khabura, Seeb, Mutrah, Quriyat, Sur and Mahut. The aim is to provide repair and servicing facilities for the boats and engines of the local fishermen.

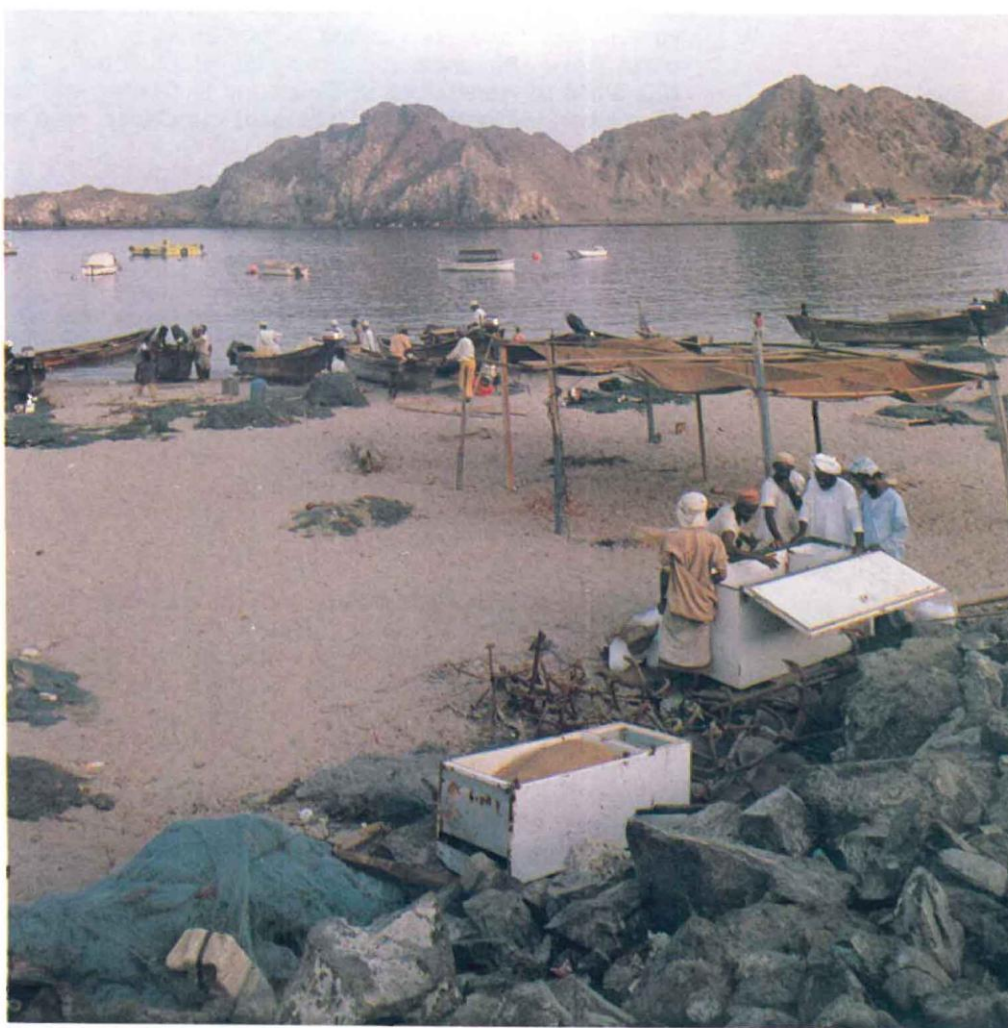
Under the "Fund for the Encouragement of the Fishermen" which was established in 1976, the government has distributed more than 1,500 outboard (petrol) engines; 50 inboard (diesel) engines and 380 aluminium boats.

The Oman National Fishing Company was established last year to encourage private sector investment in the fishing industry. The Company will exploit Oman's substantial fish resources, largely for export. It will also look into the question of establishing fishmeal and fish canning products.

To conserve natural resources, a project to protect the turtle wealth of Oman was implemented in 1977 in collaboration with World Wildlife Fund.

The provision of a marine science centre is under consideration. The aim is to promote basic research in marine science and help to introduce modern technology together with training of Omanis in various fishery activities.

In the second five-year fisheries development plan, the government will continue the same basic policies for the fisheries sector. It will continue to improve and up-grade traditional fisheries; provide essential infrastructure to modernize fisheries; exploit fish wealth rationally and judiciously; train fishermen in special skills and provide them with more job opportunities, and strengthen the fisheries administrative and management machinery together with the provision of research and other various supports.



Traditional fishing centre

WATER

Oman has launched an extensive programme to find new water resources for agriculture. At present, irrigation for farming is still mainly by the ancient falaj system which cannot support large scale expansion of agriculture.

Geologic surveys with the aid of new satellite technology have revealed areas which could contain large quantities of water deep underground. Based on these surveys, exploration wells have been drilled in four areas so far. These wells have disclosed the presence of potentially large quantities of water deep underground in Dhofar, a desert area north of Dhofar, Wadi Adai near the Capital area and the Batinah coast.

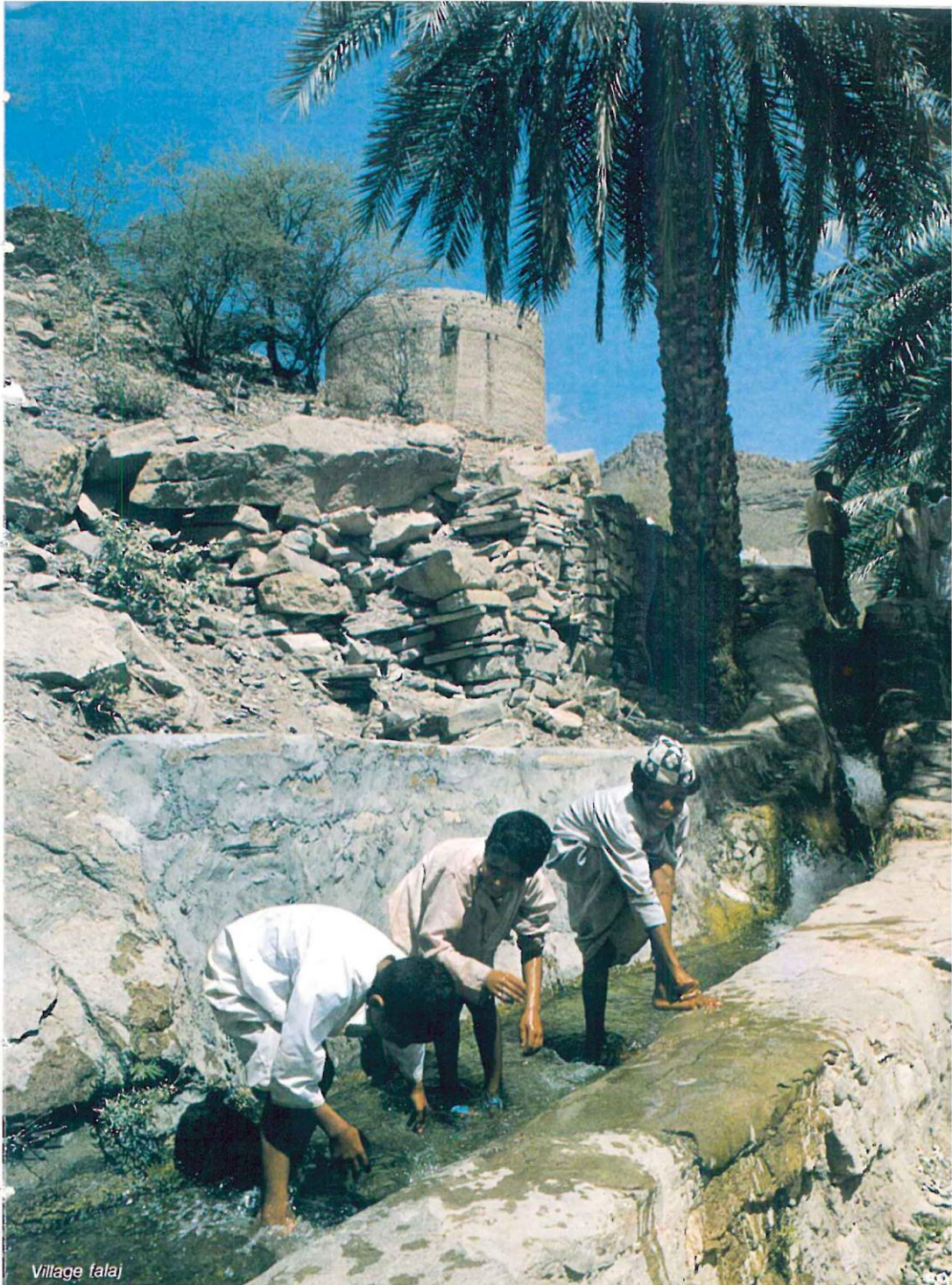
Wells drilled in Wadi Adai have produced good yields of fresh water which could be pumped out at the rate of about 1,000 gallons per minute.

Experts have reported that there is evidence that Wadi Adai and the other areas have enough water underground to support large-scale farming for at least 20 years.

Drilling of more exploration wells will be carried out under the current second five-year plan launched at the beginning of this year. The government has allocated RO 56 million to improve present water supplies and find and develop new sources during the five years.

Several projects have been approved or are under study by the Water Resources Council. The Council's main function is to coordinate exploitation of water resources to ensure that a balance is kept between supply and demand. It is assisted by the Public Authority for Water Resources which was set up at the end of 1979.

A major current scheme is for the maintenance and improvement of the falaj system, wells and water canals which are still the main sources of supply in the rural areas for irrigation and domestic use. A sum of RO 22 million has been set aside for this project. At present Oman has about 4,000 falaj in use, but about 80 per cent of them need repair and regular maintenance.



Another project to improve existing water supplies is to build recharge dams. These dams are designed to hold rain water long enough for it to seep into the ground and replace underground supplies for eventual use.

Under study is the development of an impounding reservoir at Wadi Dayqah, some 90 kms from the Capital area. Indications are that the reservoir could supply some 45,000 cubic metres per day for the Capital area by 1985.

Three small concrete reservoirs and distribution extensions to increase water supplies in the Capital area were completed recently. In addition, the al Ghubrah desalination plant is being expanded to double its present output of six million gallons a day to 12 million gallons.

The additional output is to meet an expected increase in demand at Seeb, Azaliba, Rusail (which is scheduled for industrial development), and other parts of the Capital area. The government will also install 10 small desalination plants along the coastal areas to provide drinking water. These plants will be able to produce from 20,000 to 120,000 gallons of water per day.

Work has also begun to develop a string of wells with supporting services in Sur, Buraimi, Sohar and Nizwa to meet higher demands by 1985.

ELECTRICITY

Oman foresees no problem in supplying power for industrial use since the country has ample supplies of natural gas to produce relatively cheap energy. Gas is already being used to fuel the main Al Ghubrah electricity complex.

The present installed capacity of electrical power is around 368 megawatts.

Apart from meeting the power requirements of large population centres such as the Capital area and Salalah, the government is engaged in a programme to supply electricity to remote villages. At present 26 small power stations, some with just less than one megawatt capacity are supplying small and medium-sized villages. Some of these diesel-operated stations will be replaced by feeder stations utilising gas as fuel.

During the current second five-year plan, a number of other projects will be implemented. Power generation capacity in the Capital will be raised from 260 to 450 megawatts and the Capital region electricity grid will be linked to adjoining areas. A main power station is currently being built in the northern region at Sohar, with a capacity ranging from 49 to 50 megawatts. This gas-powered station, to be ready by the end of 1981, will be linked to a number of towns and will meet the needs of the Sohar copper project. Sohar and Shanas currently have small diesel-powered generators, with a capacity of between 0.5 and one megawatt, which will be transferred to remote regions once the Sohar power station has been completed.

A major power station is also to be built near Faraq to meet the needs of several towns. A gas-powered 40 to 50 megawatt station will be built between Sohar and the Capital in order to meet the needs of four towns. There is also a plan to build a major station near Sur to meet expected demand and to link up adjoining areas. Electricity output on Masirah is to be doubled. Power capacity in Buraimi is also to be boosted to 30 megawatts, and in Ibri from 3.5 megawatts to 15 megawatts.

In future, all electricity stations in the Sultanate will be linked to a grid in order to make use of surplus electricity in one area to meet the needs of another.

LABOUR

Oman's most pressing labour problem is an acute shortage of trained Omani manpower for the non-rural sector of the economy. The situation will continue for some years as the country does not as yet have a sufficiently large base of school leavers for training in skilled and semi-skilled employment.



A special Education and Training Council was set up in 1978. Its main function is to tailor education and training to the needs for skilled Omani manpower at all levels.

At the tertiary level, some 800 men and women are now studying overseas on government scholarships. The Council ensures that they study disciplines which prepare them for such posts as administrators, doctors, engineers, economists and teachers.

An intermediate school with a bias in technical subjects has been opened in Sohar. It will be developed into a secondary technical school to provide training at a higher level than that being given at the trade schools.

Classes in commercial subjects were started in 1978. It is planned to establish commercial secondary schools under the second five-year plan.

Companies which provide technical or other forms of training for Omanis are given preference in setting up business in the Sultanate.

There is no shortage of Omani manpower for agriculture and fisheries, which traditionally have supported the bulk of the Omani population. Agriculture and fisheries will continue to be a major sector of development in the second five-year plan.

Oman today employs nearly 150,000 expatriates of whom some 80 per cent are Indians and Pakistanis. Almost all non-skilled workers get more than the minimum basic wage of RO 60 per month for an eight-hour day. Apart from having to pay overtime, employers are obliged to provide housing, transportation and food for expatriates or Omanis who live more than 40 km. away from their working place. Medical treatment is free and expatriates get free return passages to their country of origin.

Special protective laws have been decreed by His Majesty the Sultan covering the employment of women and young persons.



Urban development - Ruwi

COMMUNICATIONS

An efficient communications and transportation system is an essential requirement for Oman's modern development. In 1970, there were only 10 kms. of concrete road, all in the capital area, and 1,800 kms. of gravel road in the rest of Oman. Since then, over 12,000 kms. of graded roads and 1,500 kms. of paved roads have been built to link provincial towns to the capital area and the ports, thus facilitating the movement of people and goods throughout the Sultanate. Three modern highways connect Oman to the United Arab Emirates and this has resulted in increased trade activity between the two countries. An 800 km. highway is now under construction to improve the overland link between Muscat and Salalah.

The emergence of Oman as a modern state created a pressing demand for efficient port facilities. The government therefore built Mina Qaboos at Muttrah where ships are turned round without delay and a round-the-clock service is operated.

There are nine deep-water berths, sheltered by a break-water on one side and high cliffs on the other. A full range of cargo-handling and storage facilities is available.

Improved container facilities at the port will be completed this year. This involves reinforcing two berths, constructing gantry cranes and installing special lifting equipment for container handling in the extensive storage area.

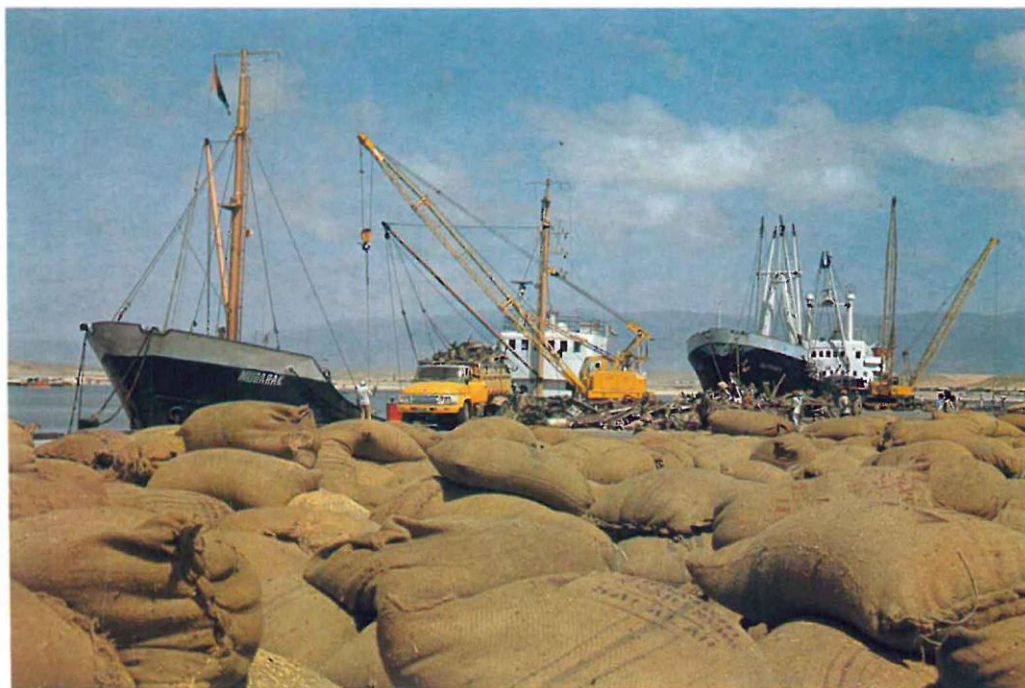
The port of Raysut, near Salalah, which was non-existent in 1970, has been considerably expanded. To ensure a calm anchorage throughout the year, barriers have been built to protect it from the annual monsoon. The expansion work was completed last year.

Eight of the 10 berths are capable of accepting large ocean-going cargo ships. There are four warehouses for storing general cargo, with open spaces for heavy equipment.

The government is also considering setting up a commercial port at Sur, the main town of Oman's eastern region, to serve as a local centre for trade and fishing. It is already linked to northern Oman by a tarmac road.



Road on the jebel (mountain) in Dhotar



Raysut port is now fully operational

Seeb International Airport, which began operations in 1973, has been expanded to cope with an increasing volume of aircraft, including cargo traffic. Designed to cater for every type of modern aircraft, it is regularly used by 20 airlines, including Gulf Air, the regional and international airline in which the Sultanate has a 25 per cent share.

Oman's second modern airport is at Salalah, in the southern region, and is used mainly for domestic flights.

POSTAL AND TELECOMMUNICATION SERVICES

In early 1970, postal services were provided by a small post office in Muscat and limited to the Capital area. Today, postal services cover all parts of the Sultanate. At the end of last year, 44 post offices and over 50 postal agencies were in operation. The agencies provide postal services in remote villages still not serviced by the postal department.

The Postal Department operated 500 private post boxes at the beginning of the first five-year plan in 1976. At the end of 1980, there were 22,800. The department expects to add another 7,200 private boxes by the end of the second five-year plan. Another project is to provide a door-to-door postal service in the Capital area by 1985.

The Ministry of Posts, Telegraphs and Telephones issues commemorative and definitive stamps. Commemorative stamps are issued on important occasions such as Oman's National Day and other national events.

Telecommunications

Before His Majesty Sultan Qaboos took over in 1970, the telephone was for a privileged few. Oman then had only 550 telephone lines. By the end of 1980, the Sultanate had a network of over 25,000 lines, served by 28 main exchanges. An international direct-dialling system had been operating for over a year with connections to most major countries. Oman's manual telex service had been replaced by an automatic telex exchange, equipped for 1,200 terminations and extendable to 4,000.

International traffic is primarily carried over the Indian Ocean Intelsat satellite. A standard "A" satellite earth station located at Al-Hajar, 40 km from Greater Muttrah, provides 96 international circuits with various countries. Another standard "B" earth station at the same location handles television transmissions to five other earth stations at Buraimi, Saham, Nizwa and Sur in northern Oman and Salalah in the southern region.

An earth station was completed recently in the strategic Musandam Peninsula. Twenty-four telephone circuits connect southern and northern Oman via the same network.

The government has allocated RO 63 million to extend the telecommunication services during the current second five-year plan. Work has begun in installing several more main telephone exchanges and long transmission links.

By the end of 1985, every village and town will have telephone, television and radio links. By then, Oman expects to have over 50,000 telephone lines, more than double the present number. Several more microwave and earth satellite stations will be built. Telex facilities, including international circuits are to be doubled to cope with increasing traffic.

Staff training facilities are to be greatly expanded with the building of a new fully equipped training centre in the Capital area.



Earth satellite station
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Primary school

EDUCATION

Progress made in providing free primary education has been so rapid in the past ten years that the government can now slow down its programme to set up new schools. In the current second five-year plan, the priority is on quality, from improving teaching methods to constructing better school buildings equipped with modern educational facilities.

In 1970, the need was to spread education as rapidly and widely as possible as there were then only three primary schools with 900 boys. Providing instant education meant, however, that not all schools could be housed in proper buildings. Many sprang up in tents and huts. The current development plan seeks to replace all such accommodation with proper school buildings by 1985.

In the 1980-1981 school year, 111,070 boys and girls attend 373 primary, preparatory and secondary schools and four training institutes. Girls form one third of the school population, since one of the basic aims of Oman's education policy is to give equal opportunities to girls.

Of the total number of children in school, 93,623 are in primary, 15,231 in preparatory, and 1,486 in secondary classes. Another 730 receive specialised education in training institutes.

Of those at preparatory level, 205 boys and 112 girls attend special schools. The boys attend a school in Sohar which teaches technical and general subjects. (Sohar is to be the centre of a large copper-mining and smelting centre.) The girls study home economics in addition to general school subjects.

The training institutes are at secondary level - one teaches Islamic studies, two train teachers and one specialises in agriculture. Classes in commercial subjects are also provided at some schools.

Equally impressive has been the progress made in Oman's anti-illiteracy and adult education programmes. Under the slogan "Education for All", the government set up a number of anti-illiteracy and adult education centres. Today, over 6,000 men and women attend the anti-illiteracy

centres while over 4,500 men and women study at adult education centres. For those who are unable to register at the centres, there is a free study-at-home programme. Some 1,600 adults participate in this programme which provides them with free textbooks and other necessary materials.

The anti-illiteracy campaign is broad enough to meet the needs of farmers in Rumais and of urban dwellers in Seeb and Salalah. Women's centres combine anti-illiteracy programmes with training in home economics, sewing and the basics of public health.

There is also a programme to teach Arabic to the large numbers of Omanis who returned to Oman following the accession of His Majesty Sultan Qaboos. Two centres were set up for men and women.

The government has allocated RO 84 million for education development in the 1981-1985 period. One of the priorities is to extend education even to the most remote areas. It is estimated that some 20,000 children, mostly living in rural or nomadic communities, have still to receive formal education. Schooling in Oman is free but not compulsory.

At a higher level, the preparatory school in Sohar is to be developed into a secondary technical school. A second technical school is planned. At present, a vocational institute, run by the Ministry of Labour and Social Affairs, provides training at trade school level.

The Agriculture Institute at Nizwa is expected to be upgraded to a full college by 1985 for training of farmers and agronomists.

The present classes teaching commercial subjects are expected to be replaced by commercial schools at secondary level.

Two more teachers' training institutes will be established as Oman is acutely short of trained Omani teachers. Of the 4,904 teachers currently employed, less than 11 per cent are Omanis.

At the tertiary level, Oman is setting up Qaboos University at Nizwa. Announcing this on National Day last year, His



Primary class in session

Majesty Sultan Qaboos said that steps were being taken to "fit our young people to become the scientists, technicians, doctors, agriculturists and other specialists which we shall need in increasing numbers as the process of our modern development continues to gain momentum."

At present, some 800 Omani students, including women, are on scholarships in universities and technical institutes abroad. More scholarships will be awarded. These awards are made on the basis of Oman's manpower needs. For instance, if a ministry requires engineers by 1985, then a number of the scholarships are given to students wishing to take up engineering.

The task of tailoring education and training to manpower needs is the responsibility of the Education and Training Council which was set up by His Majesty Sultan Qaboos in late 1978.

Another priority in the current development plan is the Omanisation of executive teaching posts as more Omanis qualify for them.

Omanisation of the curriculum, which was introduced in 1978, will cover all primary and preparatory classes by the end of this year. Work has begun on Omanising the curricula for the secondary classes.

While stressing Omani values, the Omanised curriculum gives due importance to the fact that Omanis are part of the world of Islam and Arabia. In effect, Omanisation should produce through the schools young people who are distinctly Omani and yet feel they are members of the wider Islamic and Arab world.

Within the framework of the Omanised curriculum, new teaching methods and textbooks were introduced. Pupils no longer learn through memorising whole texts as is still the case in some Arab countries. Instead, the new textbooks



Building a healthy nation
72

seek to give the schoolchildren a better understanding of what they are learning by posing several questions on a particular point. Religious and secular studies are no longer kept rigidly apart, passages from the Koran which are relevant to secular subjects being taught are included in textbooks.

The schools also teach English as a second language from primary four level.

In the past decade, education in Oman has thus advanced from providing for the basic needs of the people to the more sophisticated level of linking it with the modern development of the country.



Rural health programme

HEALTH

A decline in the incidence of disease and growing health consciousness among the Omani people reflect the success of Oman's health programme. A striking example is the sharp drop in trachoma, an eye disease prevalent in the Middle East which can lead to blindness. In 1976, a survey of schoolchildren disclosed that 86 per cent had trachoma. By 1980, only seven per cent of children suffered from the disease. A programme to eradicate trachoma by 1982 is in force throughout the country.

Malaria is now under control in most districts, and a malaria control programme is being applied progressively to achieve complete control and possibly eradication of the disease by the end of the current second five-year plan.

The incidence of hepatitis cases has dropped and it is expected gradually to disappear with the continued improvement in sanitation.

Good response from the people, even those living in remote villages to mass vaccination campaigns against preventable diseases, has led to a decline in poliomyelitis, diphtheria, whooping cough, tetanus and tuberculosis.

Of a total of 731 deaths in 1979, only 16 died from malaria and hepatitis. The others were mainly due to senility and cardio-vascular diseases and accidents.

As in education, Oman's health services were developed rapidly to meet the immense needs that existed 10 years ago. In 1970, there was only one hospital with 12 beds in Muscat, nine health centres and 10 dispensaries. Today, the Health Ministry operates 14 hospitals and 12 health centres with a total of 1,700 beds, 61 dispensaries, four small maternity-cum-health centres and four small maternity clinics. Medical and public health officers, including dentists and pharmacists, totalled 13 in 1970; today there are 389, of whom 70 are specialists. The number of nurses and mid-wives rose from two in 1970 to 947 in 1980.

Development of preventive medicine, which was negligible in 1970, has also been impressive. Today, preventive health care includes environmental sanitation, communicable diseases control, school health, health education, malaria control, vector control, quarantine and oral

hygiene. Public health services are provided through five public health centres and sixteen subsidiary public health units throughout the country.

National health programmes for (i) mass vaccination, (ii) tuberculosis control, and (iii) prevention of blindness (trachoma), have been conducted in collaboration with the World Health Organization.

In the current second five-year plan, RO 35 million has been allocated for further development of the health services.

The Ministry will continue to give top priority to setting up health facilities in areas now served by mobile medical units and to expanding services available in district-level hospitals and at health centres and clinics. These are part of its overall programme to locate health services within easy reach of the population.



Omani paediatrician examining a patient

Several more health centres, maternity-cum-health centres and dispensaries will be opened this year. Khasab and Baya Health Centres in the Musandam area will have 12 extra beds each. A modern operating theatre and labour room block will also be added to each centre. Further extensions will be made to Khoula Hospital, one of the three referral hospitals in the country. The hospital will have four extra operating theatres and a modern casualty department. Last year, 86 beds were added to the Khoula Hospital. The additional facilities included private and general maternity wards, a private surgical ward, an intensive care unit, a severe burns unit, and a physiotherapy department which will form the nucleus of a rehabilitation centre where, in time, artificial limbs and appliances will be manufactured.

At the district level, extensions were made last year to Sur, Sohar and Nizwa hospitals, adding 44 beds to each. The extensions provided additional specialist services in general medicine and surgery, including obstetrics and gynaecology.

Two major projects, a mental hospital with 60 beds and a health institute, will be completed this year. The institute will provide training for 200 nurses and para-medical staff such as laboratory and X-ray technicians, physiotherapists and sanitary inspectors. The health institute will greatly expand the training facilities which have been available since late 1970 at Al-Rahma School of Nursing. The Ministry also sends Omanis abroad for training as doctors, nurses and other medical staff. Of the 32 Omanis currently on courses overseas, eight are undergoing post-graduate studies.

Oman subscribes to the global objective of "Health for All by the Year 2000" adopted by the World Health Organization. Its development policies aim to achieve this well ahead of the W.H.O. deadline.

SOCIAL AFFAIRS

Oman runs a comprehensive welfare programme. At present over 13,000 families receive direct monetary aid which varies from RO 20 to RO 55 a month. An Omani receiving such aid is encouraged to live with his family. There is, however, a home for the aged for those with no relatives.

Aid is also provided to enable Omanis capable of being self-employed to start a trade or cultivate a small plot of land. The government will provide for instance, a small flock of sheep or a water pump or a sewing machine to help people become independent. Further assistance is given in marketing their products.

The government also runs a community development programme. This is a self-help scheme under which villages in remote areas can themselves put up a temporary school or build a small road before the government comes in with more permanent structures. A form of education programme, teaching villagers sound health habits and encouraging them to use maternity and child care centres and hospitals has proved successful.

Generally, the community development programme which started with villages in the interior is working well.

A nationwide project to bring government-subsidised housing to Oman's low income group was started in 1974 and given greater emphasis under the first five-year plan. By the end of last year, some 1,500 such houses had been completed. The housing scheme entitles Omanis aged 21-60 to a government house in the area in which they live and work if their wage is RO 150 per month or less. A housing bank grants them loans of up to 90 per cent of the building cost. A nominal sum is charged for the land. The loan is repayable in 20 years at three per cent interest.

